

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Landing International Development Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

### **CONNECTED TRANSACTION: FINANCIAL ASSISTANCE**

**Independent Financial Adviser to the Independent Board Committee and  
the Independent Shareholders**



**South China Capital Limited**

Terms used in this cover page have the same meanings as those defined in this circular.

A letter from the Board is set out from pages 5 to 13 of this circular. A letter from the Independent Board Committee is set out from pages 14 to 15 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out from pages 16 to 26 of this circular.

A notice convening the SGM to be held at Unit 2102, 21/F, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong on Friday, 29 November 2013 at 10:30 a.m. is set out from pages 32 to 33 of this circular. Whether or not you are able to attend the SGM in person, you are requested to complete and return the accompanying form of proxy to the Company’s branch share registrar in Hong Kong, Tricor Standard Limited, at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM. Completion and return of the form of proxy shall not preclude you from attending and voting at the SGM should you so wish.

13 November 2013

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## DEFINITIONS

*In this circular, the following terms and expressions shall have the following meanings unless the context otherwise requires:*

“Anhui Landing” or “Lender”	Anhui Landing Holding Group Co., Ltd <sup>#</sup> (安徽藍鼎控股集團有限公司), a company of which Mr. Yang is the controlling shareholder, which is principally engaged in real estate development business in the PRC, as the lender under the Entrusted Loan Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“AVIC Trust”	AVIC Trust Company Limited <sup>#</sup> (中航信托股份有限公司), a licensed financial institution in the PRC which is principally engaged in the trust business and an Independent Third Party
“AVIC Trust Loan”	the loan in the principal amount of RMB100 million to be provided by the AVIC Trust to the Lender pursuant to the Trust Loan Agreement
“Bank”	Bank of JiuJiang Co., Ltd (九江銀行股份有限公司)
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturdays, Sundays and statutory holidays) on which commercial banks in Hong Kong are open for business
“Company”	Landing International Development Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Corporate Guarantee”	the provision of corporate guarantee by the Borrower in favor of the AVIC Trust to guarantee the full repayment of the AVIC Trust Loan pursuant to the corporate guarantee agreement to be entered into between the Borrower and the AVIC Trust
“Director(s)”	the director(s) of the Company
“Entrusted Loan”	the loan in the principal amount of RMB100 million under the Entrusted Loan Agreement
“Entrusted Loan Agreement”	the entrusted loan agreement dated 15 October 2013 entered into among the Lender, the Bank and the Borrower in relation to the Entrusted Loan

## DEFINITIONS

“Financial Assistance Agreement”	the financial assistance agreement dated 15 October 2013 entered into between the Lender and the Borrower for the Entrusted Loan
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions respectively contemplated thereunder (including the entering into of the Security Documents)
“Independent Financial Adviser”	South China Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity as defined under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions respectively contemplated thereunder (including the entering into of the Security Documents)
“Independent Shareholder(s)”	Shareholders other than those who are required under the Listing Rules to abstain from voting on the relevant resolution(s) to be proposed at the SGM to approve the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions respectively contemplated thereunder (including the entering into of the Security Documents)
“Independent Third Party(ies)”	third party(ies) not connected to any Director, chief executive or substantial shareholder of the Company or any of its subsidiaries or an associate of any of them as defined in the Listing Rules
“Joint Account”	the bank account maintained with the Bank jointly by the Borrower and the Lender
“KRW”	Korean Won, the lawful currency of the Republic of Korea

## DEFINITIONS

“Land Pledge”	the pledge of the certificate of state-owned land use <sup>#</sup> (國有土地使用權證) of a parcel of land situated on the western shores of Nanhu Lake <sup>#</sup> (南湖), Yueyang, Hunan province, the PRC pursuant to the land pledge agreement to be entered into between the Borrower and the AVIC Trust
“Landing International”	Landing International Limited, a company incorporated in the British Virgin Islands with limited liability
“Latest Practicable Date”	11 November 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Yang”	Mr. Yang Zhihui, the chairman of the Company and an executive Director
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of PRC
“Security Documents”	the land pledge agreement for the Land Pledge, the corporate guarantee agreement for the Corporate Guarantee, and the Supervision Agreement
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held for the purpose of considering and, if thought fit, approving the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions respectively contemplated thereunder (including the entering into of the Security Documents)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“sq. m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

## DEFINITIONS

“Supervision Agreement”	the supervision agreement to be entered into between the Borrower and the AVIC Trust to grant the AVIC Trust the right to appoint a construction supervisor and a financial controller to monitor the usage of corporate stamps/chops, usage and receipt of funds, and the bank accounts of the Borrower
“Trust Loan Agreement”	the third tranche trust loan agreement entered into between the AVIC Trust and the Lender (as supplemented)
“Yueyang Company” or “Borrower”	Yueyang Nanhu Meishu Properties Limited <sup>#</sup> (岳陽南湖美墅置業有限公司), an indirect wholly-owned subsidiary of the Company, as the borrower under the Entrusted Loan Agreement
“%”	per cent.

<sup>#</sup> *The English translation of Chinese names or words in this circular, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

*In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.*



**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)**

*Executive Directors:*

Mr. Yang Zhihui (*Chairman*)  
Mr. Kong Fanbo  
Ms. Zhou Xueyun  
Mr. Ren Shunying  
Ms. Xu Ning

*Independent non-executive Directors:*

Mr. Fok Ho Yin, Thomas  
Mr. Chen Lei  
Ms. Zhang Xiaolan

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head office and*

*principal place of business:*  
Suites 5801–5804, 58/F  
Two International Finance Centre  
No 8 Finance Street  
Central, Hong Kong

13 November 2013

*To Shareholders*

Dear Sir or Madam,

**CONNECTED TRANSACTION:  
FINANCIAL ASSISTANCE**

**INTRODUCTION**

On 15 October 2013, Anhui Landing as the Lender and the Yueyang Company, an indirect wholly-owned subsidiary of the Company, as the Borrower entered into the Financial Assistance Agreement. Pursuant to the Financial Assistance Agreement, the Lender has conditionally agreed to lend and the Borrower has conditionally agreed to borrow the Entrusted Loan through the Bank in the principal amount of RMB100 million, with an interest rate of 13% per annum for 24 months. On even date, the Lender, the Borrower and the Bank entered into the Entrusted Loan Agreement to facilitate the aforesaid arrangement.

The purpose of this circular is to provide you with further details relating to (i) the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions respectively contemplated thereunder; (ii) the advice from the Independent Board Committee in relation to the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions respectively contemplated thereunder; (iii) the recommendation from the

## **LETTER FROM THE BOARD**

Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in relation to the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions respectively contemplated thereunder; and (iv) the notice convening the SGM, for the purpose of considering and, if thought fit, approving the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions respectively contemplated thereunder.

### **FINANCIAL ASSISTANCE AGREEMENT**

#### **Date**

15 October 2013

#### **Parties**

- (1) Anhui Landing, a company of which Mr. Yang (the chairman of the Company and an executive Director) is the controlling shareholder, which is principally engaged in real estate development business in the PRC, as the Lender; and
- (2) the Yueyang Company, an indirect wholly-owned subsidiary of the Company which is principally engaged in the development and operation of real estate development business in Yueyang, Hunan Province, the PRC, as the Borrower.

#### **Financial assistance**

The Lender has conditionally agreed to lend and the Borrower has conditionally agreed to borrow the Entrusted Loan through the Bank in the principal amount of RMB100 million, with an interest rate of 13% per annum for 24 months. On even date, the Lender, the Borrower and the Bank entered into the Entrusted Loan Agreement to facilitate the aforesaid arrangement.

#### **Source of funding of the Lender for the Entrusted Loan**

Prior to the entering into of the Financial Assistance Agreement and the Entrusted Loan Agreement, the Lender as borrower and the AVIC Trust as the lender entered into the Trust Loan Agreement dated 23 August 2013 for the AVIC Trust Loan in the principal amount of RMB100 million with the interest rate of 13% per annum for 24 months from its drawdown date. As advised by the Lender, such annual interest rate of 13% per annum was arrived at after arm's length negotiations between the Lender and the AVIC Trust with reference to the prevailing market interest rates. As further advised by the Lender, such interest rate is in line with that of the other loan facilities of the Lender obtained from AVIC Trust and other financial institutions, ranging from 13% to 15% per annum. It is one of the conditions under the Trust Loan Agreement that the Lender shall deliver the duly executed Security Documents and certain other collaterals, which do not involve assets held within the Group, as security for the AVIC Trust Loan prior to its drawdown.



## LETTER FROM THE BOARD

### **Repayment**

Interest is payable quarterly to the Joint Account. The Borrower shall repay the Entrusted Loan with accrued interest to the Joint Account on the maturity date, being 24 months from the date of fulfillment of all conditions precedent as set out in the section headed “Conditions precedent” below and the drawdown of the Entrusted Loan by the Borrower. The Lender shall then immediately facilitate the payment of the same amount to the AVIC Trust as repayment of the AVIC Trust Loan through the Joint Account, whose relevant operating rights and authority of control must be jointly monitored and executed by the Borrower and the Lender.

### **Early repayment**

After 12 months from the drawdown of the Entrusted Loan, the Borrower may exercise a one-off early repayment rights, subject to the consent of the Lender and the AVIC Trust, to early repay the Entrusted Loan with accrued interests.

### **Conditions precedent**

The Financial Assistance Agreement is conditional upon:

- (i) the passing of all necessary resolutions by the Board and the Shareholders to approve the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions contemplated thereunder respectively (including the entering into of the Security Documents);
- (ii) the passing of all necessary resolutions by the Board and the Shareholders in accordance with the Listing Rules to approve the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions contemplated thereunder respectively (including the entering into of the Security Documents);
- (iii) the passing by the Lender of all relevant operating rights of the Joint Account to the Borrower for the joint management and supervision of the Joint Account;
- (iv) the Lender having fulfilled the conditions precedent under the Trust Loan Agreement and being granted and having drawn the principal amount of RMB100 million under the Trust Loan Agreement; and
- (v) the entering into of the Entrusted Loan Agreement among the Lender, the Bank, and the Borrower, and the receipt of the amount of RMB100 million by the Bank from the Lender for the drawdown by the Borrower.

## LETTER FROM THE BOARD

### Security Documents

Upon approval of all necessary resolutions by the Independent Shareholders at the SGM to approve the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions respectively contemplated thereunder (including the entering into of the Security Documents), the Borrower shall enter into the following Security Documents:

*(i) Land Pledge*

The Borrower shall enter into a land pledge agreement with the AVIC Trust to pledge the certificate of state-owned land use<sup>#</sup> (國有土地使用權證) of a parcel of land situated on the western shores of Nanhu Lake<sup>#</sup> (南湖), Yueyang, Hunan province, the PRC with a site area of 156,403 sq. m. (the “**Land**”), to the AVIC Trust as security for the full repayment of the outstanding AVIC Trust Loan and interest accrued thereof. As at 30 June 2013, according to the interim report of the Company for the six months ended 30 June 2013, the carrying amount of the Land was approximately HK\$590,086,000.

*(ii) Corporate Guarantee*

The Borrower shall enter into a corporate guarantee agreement with the AVIC Trust to provide corporate guarantee in favor of the AVIC Trust to guarantee the full repayment of the outstanding AVIC Trust Loan and interest accrued thereof.

*(iii) Supervision Agreement*

The Borrower shall enter into a supervision agreement with the AVIC Trust pursuant to which commencing from the date of drawdown of the AVIC Trust Loan and up to the date of release/cancellation of the Land Pledge and the Corporate Guarantee, the AVIC Trust shall have the rights to appoint a construction supervisor and a financial controller to monitor the usage of corporate stamps/chops, usage and receipt of funds, and the bank accounts of the Borrower.

Pursuant to the Security Documents, AVIC Trust, in any event of default under the AVIC Trust Loan, shall exercise its respective rights under the Security Documents, including but not limited to, enforcing the Land Pledge.

Pursuant to the Financial Assistance Agreement, the Lender has undertaken that all the Security Documents shall be immediately released upon the due repayment of all outstanding indebtedness in accordance with the Financial Assistance Agreement and/or the Entrusted Loan Agreement.

## LETTER FROM THE BOARD

### Undertakings by the Lender

Under the Financial Assistance Agreement, the Lender has undertaken to the Borrower that:

- (i) no events of default under the AVIC Trust Loan shall occur. In the event of any defaults of the AVIC Trust Loan not caused by the Borrower, the Lender shall indemnify all losses of the Borrower, including but not limited to the early recall of the Entrusted Loan while the Borrower is not in breach of the Financial Assistance Agreement and the Entrusted Loan Agreement;
- (ii) it shall immediately repay to the AVIC Trust any repayments it has received from the Borrower pursuant to the Financial Assistance Agreement and/or the Entrusted Loan Agreement;
- (iii) all the Security Documents shall be immediately released upon the due repayment of all outstanding indebtedness in accordance with the Financial Assistance Agreement and/or the Entrusted Loan Agreement; and
- (iv) beginning from the entering into of the Financial Assistance Agreement up to the repayment of all outstanding indebtedness thereunder for the satisfaction of the AVIC Trust Loan, all the relevant operating rights and authority of control of the Joint Account must be jointly monitored and executed by the Borrower and the Lender.

### ENTRUSTED LOAN AGREEMENT

#### Date

15 October 2013

#### Parties

- (1) the Lender;
- (2) the Bank, as the entrusted lender; and
- (3) the Borrower.

#### Principal amount of the Entrusted Loan

RMB100,000,000

#### Interest

13% per annum, which is payable quarterly by the Borrower to the Joint Account

## LETTER FROM THE BOARD

### Handling charge

Any handling charge in relation to the Entrusted Loan Agreement will be borne by the Lender.

### Repayment

Interest is payable quarterly to the Joint Account. The Borrower shall repay the Entrusted Loan within 24 months from the drawdown date of the Entrusted Loan to the Joint Account.

### Conditions precedent

The Entrusted Loan is conditional upon:

- (i) the passing of all necessary resolutions by the Board and the Shareholders to approve the Entrusted Loan Agreement; and
- (ii) the passing of all necessary resolutions by the Board and the Shareholders in accordance with the Listing Rules to approve the Entrusted Loan Agreement.

### REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCIAL ASSISTANCE AGREEMENT AND THE ENTRUSTED LOAN AGREEMENT

The principal activity of the Company is investment holding, and through its subsidiaries, the Group is principally engaged in (a) the design, manufacturing and sale of the light-emitting diode and (b) property development in Yueyang, Hunan Province, the PRC.

Since July 2013, the Borrower has commenced construction work on a parcel of land situated in Yueyang, Hunan Province, PRC (the “**Project Site**”), which is expected to be developed into high-end villas with club houses and parking lots. As pre-sale of the properties at the Project Site has not begun, the costs and expenses for on-going construction works are currently financed by a loan facility of up to RMB90 million (the “**Previous Facility**”) and out of which RMB45 million has been drawn by the Borrower.

Recently, the lender to the Previous Facility (“**Previous Facility Lender**”) has expressed its intention to demand early repayment and to cancel the Previous Facility due to (i) its financial difficulties; (ii) the change in the shareholding ownership of the Company, being the Yueyang Company’s indirect holding company, which is considered as a material change; and (iii) the interest free Previous Facility given by the Previous Facility Lender was based on its business relationship with Hong Han Limited, the previous controlling shareholder of the Company. To avoid any potential disruption to the development schedule of the Project Site, the Yueyang Company has therefore sought for a new loan facility to replace the Previous Facility.

Given the current controlling policies on the property market in the PRC, the Yueyang Company is unable to obtain any loan facility directly from any financial institutions as it lacks track record in property development in the PRC. The Yueyang Company therefore sought for assistance from Anhui Landing in obtaining financing from AVIC Trust. Anhui Landing has

## **LETTER FROM THE BOARD**

agreed to act as the borrower to the AVIC Trust Loan and in turn provide a loan to the Yueyang Company through the arrangement of the Financial Assistance Agreement and the Entrusted Loan Agreement. Other than any loan facility to be obtained through Anhui Landing, the Yueyang Company is unable to obtain any loan facility from any financial institutions. As such, on 23 August 2013, the Trust Loan Agreement was entered into between Anhui Landing and AVIC Trust. Following the Trust Loan Agreement, Anhui Landing and the Yueyang Company proceeded to finalize the terms of the Financial Assistance Agreement and the Entrusted Loan Agreement with the Bank.

As set out in the section headed “Undertakings by the Lender” in this circular, to minimize the risks of the Group under the Entrusted Loan and the Security Documents, the Lender has undertaken to the Borrower, among other things, that no events of default under the Trust Loan Agreement will occur during the term of the Trust Loan Agreement and it shall indemnify the Borrower for all its losses, including but not limited to the early recall of the Entrusted Loan while the Borrower is not in breach of the Financial Assistance Agreement and the Entrusted Loan Agreement, in the event of any defaults of the AVIC Trust Loan not caused by the Borrower. Based on the financial information of the Lender and its subsidiaries provided by the Lender, the Directors are of the view that the Lender possesses sufficient financial resources to honour the terms under the Trust Loan Agreement and the Financial Assistance Agreement, and the undertakings contemplated thereunder.

It is the intention of the Directors to utilize the Entrusted Loan partly for the repayment of the Previous Facility and the remaining for financing the construction works at the Project Site. With the view that (i) the Lender agrees to act as a platform for the arrangement of the AVIC Trust Loan and the Entrusted Loan; (ii) the interest rate as attached to both the AVIC Trust Loan and the Entrusted Loan are the same; (iii) the Lender has given certain undertakings favorable to the Yueyang Company under the Financial Assistance Agreement; and (iv) the Entrusted Loan can replace the Previous Facility and ensure the continual development of the Project Site, the Directors consider that the terms of the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions contemplated thereunder respectively (including the entering into of the Security Documents) are fair and reasonable and on normal commercial terms and the Entrusted Loan is in the interests of the Company and the Shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the Latest Practicable Date, Mr. Yang, being the chairman of the Company and an executive Director, is the sole shareholder and director of Landing International, a controlling Shareholder which is interested in 5,052,129,176 Shares, representing approximately 53.49% of the issued share capital of the Company, and also the controlling shareholder and the chairman of the board of directors of the Lender.

Accordingly, the Lender is an associate of a connected person of the Company within the meaning of the Listing Rules, and the entering into of the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions contemplated thereunder respectively (including the entering into of the Security Documents) are regarded as a granting of security

## **LETTER FROM THE BOARD**

over assets of a listed issuer in respect of any financial assistance made to the listed issuer by a connected person under Rule 14A.13(4) of the Listing Rules and constitute a connected transaction for the Company. The entering into of the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions contemplated thereunder respectively (including the entering into of the Security Documents) are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Yang and his associates (including Landing International) who are interested in 5,052,129,176 Shares, representing approximately 53.49% of the issued share capital of the Company, are required to abstain from voting at the SGM in respect of the relevant resolution(s) approving the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions contemplated thereunder respectively (including the entering into of the Security Documents). Save as aforementioned, none of the Shareholders or Directors has material interest in the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions contemplated thereunder respectively (including the entering into of the Security Documents) and shall be required to abstain from voting on the relevant resolution(s) at the SGM.

### **RECOMMENDATION**

An Independent Board Committee has been established for the purpose of advising and giving recommendation to the Independent Shareholder in relation to the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions contemplated thereunder respectively.

Your attention is drawn to the letter of the Independent Board Committee set out from pages 14 to 15 of this circular. The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the terms of the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions contemplated thereunder respectively are fair and reasonable so far as the Independent Shareholders are concerned and are in interests of the Company and the Shareholders as a whole.

Your attention is also drawn to the letter of the Independent Financial Adviser set out on pages 16 to 26 of this circular which contains its advice and recommendation to the Independent Board Committee and its Independent Shareholders in relation to the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions contemplated thereunder respectively.

A form of proxy for use at the SGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and return, together with the power of attorney or other authority (is any) under which it is signed or a certified copy of that power of attorney or authority at the office of the Company's branch share registrar in Hong Kong, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any

## LETTER FROM THE BOARD

event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the SGM if you so wish.

The Board considers that the terms of the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions contemplated thereunder respectively are on normal commercial terms and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Therefore, the Directors recommend the Independent Shareholders to vote in favour of the proposed resolutions approving the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions contemplated thereunder respectively.

### GENERAL

Your attention is also drawn to the additional sections of this circular.

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



**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)**

13 November 2013

*To the Independent Shareholders*

Dear Sir or Madam,

**CONNECTED TRANSACTION:  
FINANCIAL ASSISTANCE**

We refer to the circular issued by the Company to the Shareholders dated 13 November 2013 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise you as to whether the terms of the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions contemplated thereunder respectively are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and its Shareholders as a whole.

South China Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions contemplated thereunder respectively. We wish to draw your attention to the “Letter from the Board” and the “Letter from the Independent Financial Adviser” set out on pages 5 to 13 and 16 to 26 of the Circular.

Having considered the principal factors and reasons considered by, and the advice and recommendation of the Independent Financial Adviser set out in its letter of advice, we consider that the terms of the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions contemplated thereunder respectively are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the



**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed to approve the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions contemplated thereunder respectively at the SGM.

Yours faithfully,

Independent Board Committee

**Mr. Fok Ho Yin, Thomas    Mr. Chen Lei    Ms. Zhang Xiaolan**

*Independent non-executive Directors*

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions respectively contemplated thereunder including the entering into of the security documents which has been prepared for the purpose of incorporation in this circular.*



**South China Capital Limited**  
28/F, Bank of China Tower  
1 Garden Road, Central  
Hong Kong

13 November 2013

*To the Independent Board Committee and  
the Independent Shareholders of*

**Landing International Development Limited**

Dear Sirs,

### **CONNECTED TRANSACTION: FINANCIAL ASSISTANCE**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions respectively contemplated thereunder (the “**Transaction**”). Details of the Transaction are set out in the “Letter from the Board” contained in the circular of the Company dated 13 November 2013 (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meaning as those defined in the Circular unless the context requires otherwise.

On 15 October 2013, the Company announced that Anhui Landing as the Lender and the Yueyang Company, an indirect wholly-owned subsidiary of the Company, as the Borrower entered into the Financial Assistance Agreement. Pursuant to the Financial Assistance Agreement, the Lender has conditionally agreed to lend and the Borrower has conditionally agreed to borrow the Entrusted Loan through the Bank in the principal amount of RMB100 million, with an interest rate of 13% per annum for 24 months. On even date, the Lender, the Borrower and the Bank entered into the Entrusted Loan Agreement to facilitate the aforesaid arrangement.

As at the Latest Practicable Date, Mr. Yang, being the chairman of the Company and an executive Director, is the sole shareholder and director of Landing International, a controlling Shareholder which is interested in 5,052,129,176 Shares, representing approximately 53.49% of the issued share capital of the Company, and also the controlling shareholder and the chairman of the board of directors of the Lender.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Accordingly, the Lender is an associate of a connected person of the Company (namely Mr. Yang) within the meaning of the Listing Rules, and the entering into of the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions respectively contemplated thereunder (including the entering into of the Security Documents) are regarded as a granting of security over assets of a listed issuer in respect of any financial assistance made to the listed issuer by a connected person under Rule 14A.13(4) of the Listing Rules and constitute a connected transaction for the Company.

Mr. Yang and his associates (including Landing International) who are interested in 5,052,129,176 Shares, representing approximately 53.49% of the issued share capital of the Company, are required to abstain from voting at the SGM in respect of the relevant resolution(s) approving the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions respectively contemplated thereunder (including the entering into of the Security Documents).

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Fok Ho Yin, Thomas, Mr. Chen Lei and Ms. Zhang Xiaolan, has been established to give advice and recommendation to the Independent Shareholders as to whether the Transaction is fair and reasonable so far as the Independent Shareholders are concerned, and whether they are in the interests of the Company and the Shareholders as a whole.

As the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to (i) whether the Transaction is in the interests of the Company and the Shareholders as a whole; (ii) whether the terms of the Transaction are reasonable so far as the Independent Shareholders are concerned; and (iii) how the Independent Shareholders should vote in respect of the proposed resolutions relating to the Transaction at the SGM.

### **BASIS OF OUR ADVICE**

In formulating our opinion, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management. We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete at the time they were made and continued to be so as at the date of the Circular.

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the statements, information, opinions or representation provided to us untrue, inaccurate or misleading. We have assumed that all the statements, information, opinions and representations for matters relating to the Group contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management have been reasonably made after due and careful enquiry. We have relied on such statements, information, opinions and representations and have not conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion on the Transaction, we have taken into consideration the following principal factors:

#### **Background information of the Group**

##### *Principal business*

The principal activity of the Company is investment holding, and through its subsidiaries, the Group is principally engaged in (a) the design, manufacturing and sale of the light-emitting diode (“LED”) and (b) property development in Yueyang, Hunan Province, the PRC.

##### *Historical financial information*

Set out below is a summary of the audited financial information of the Group for each of the two years ended 31 December 2012 as extracted from the Group’s respective annual reports.

	<b>2012</b>	<b>2011</b>
	<i>HK\$’000</i>	<i>HK\$’000</i>
Revenue	156,265	153,085
Gross profit	2,740	56,276
Gross profit margin	1.75%	36.76%
(Loss)/Profit before taxation	(240,674)	5,383
(Loss)/Profit for the year from continuing operations	(238,750)	4,411
Total assets	492,870	1,206,602
Net asset value	254,018	483,078
Total liabilities	(160,774)	(387,866)
Bank balances and cash	49,259	148,829

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's revenue for the years ended 31 December 2012 amounted to approximately HK\$156 million, representing a slight 2% increase as compared to the previous year. The decrease in gross profit margin is mainly attributable to the keen market competition and the profit margin of the LED products was persistently decreasing for the year ended. The Group recorded a net loss of approximately HK\$238.75 million for the year ended 31 December 2012, primarily due to impairment of inventory, impairment of goodwill and the rise in administrative expenses, including the research and development expenses, impairment of trade and other receivable.

As at 31 December 2012, the Group had bank balances and cash of approximately HK\$49 million, with approximately HK\$26 million held in Renminbi and the remaining in Hong Kong dollar. The drop in total assets, net asset value and bank balances and cash are mainly due to the disposal of coating business during the year (details of which are stated in the Company's circular dated 15 March 2012).

### **Background information of Anhui Landing**

Anhui Landing was established in 2010 and is a company of which Mr. Yang (the chairman of the Company and an executive Director) is the controlling shareholder, which is principally engaged in real estate development business in the PRC. Mr. Yang has over 10 years of experience in property development in the PRC. We have been given to understand that since Anhui Landing's establishment in 2010, it has developed over 10 real estate projects in the PRC.

### **Background information of Yueyang Company**

#### *Principal business*

We note from the Company's circular dated 25 March 2013 ("**VSA Circular**") and the Company's announcement dated 7 June 2013 that the acquisition of Yueyang Company by the Company was completed on 7 June 2013. Yueyang Company is a wholly foreign-owned enterprise established in the PRC on 31 December 2008 with limited liability. It is principally engaged in the development and operation of the a parcel of land situated on the western shores of Nanhu Lake<sup>#</sup> (南湖), Yueyang, Hunan province, the PRC ("**Project Site**"). As stated in the "Letter from the Board", the borrower has commenced construction work on the Project Site since July 2013, which is expected to be developed into high-end villas into club house and parking lots.

#### *Historical financial information*

We have reviewed the financial information of Yueyang Company for the year ended 31 December 2011 and 2012. As advised by the Company, Yueyang Company has yet to generate any income due to the project undertaken by it were still in preliminary stage.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Yueyang Company has recorded net loss of approximately HK\$6.3 million and HK\$4.9 million for the year ended 31 December 2011 and 2012 respectively. The Company advised us that cash and bank balances of Yueyang Company was only approximately RMB119,450 as at 30 June 2013. It had loan from a shareholder amounted to approximately HK\$87.5 million and a shareholders' deficit of HK\$19.53 million as at 31 December 2012.

We understand that the pre-sale of the properties at Project Site has not begun, the costs and expenses for on-going construction works are currently financed by loan facility of up to RMB90 million (the "**Previous Facility**"), of which RMB45 million has been drawn by Yueyang Company as at the Latest Practicable Date. As stated in the "Letter from the Board", we note that the lender to Previous Facility has expressed its intention to demand early repayment and to cancel the Previous Facility due to (i) its financial difficulties; (ii) the change in the shareholding ownership of the Company, being the Yueyang Company's indirect holding Company, which is considered as a material change; and (iii) the interest free Previous Facility given by the Previous Facility Lender was based on its business relationship with Hong Han Limited, the previous controlling shareholder of the Company. We have reviewed the demand letter issued by the said lender and are of the view that it is not uncommon for lender to demand early repayment and cancel the relevant previous facility when there is a change in controlling shareholder in the case of a publicly listed company. Under these circumstances, we concur with the Company's view that it is in the interest of the Company to secure a new loan facility to replace the Previous Facility in order to avoid any potential disruption to the development schedule of the Project Site currently undertaken by the Yueyang Company.

We understand from the Company that before entering into the Financial Assistance Agreement, the Company has enquired for loan quotations from different sources including banks/financial institutions which are independent from the Company. The Directors confirmed that the Company as well as the Yueyang Company were unable to obtain any feedbacks on loan facility from any banks/financial institutions given Yueyang Company's lack of track record in property development in the PRC.

<b>LETTER FROM THE INDEPENDENT FINANCIAL ADVISER</b>
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**Principal terms of the Financial Assistance Agreement and Entrusted Loan Agreement**

	<b>Financial Assistance Agreement</b>	<b>Entrusted Loan Agreement</b>
Date	15 October 2013	15 October 2013
Parties	(i) Anhui Landing  (ii) Yueyang Company	(i) Anhui Landing  (ii) Bank of JiuJiang Co., Ltd  (iii) Yueyang Company
Amount	RMB100 million	RMB100 million
Interest	13% per annum	13% per annum
Handling charge	Nil	Will be borne by Anhui Landing
Period	24 months	24 months
Repayment	Interest is payable quarterly to the Joint Account  After 12 months from the drawdown of the Entrusted Loan, Yueyang Company may exercise a one-off early repayment, subject to the consent of the Lender and the AVIC Trust, to early repay the Entrusted Loan with accrued interests	
Security	Please refer to the paragraph headed "Security Documents" below for details	

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In order to assess the fairness and reasonableness of the Financial Assistance Agreement and the Entrusted Loan Agreement, we have considered applying a comparable analysis through comparing a number of parameters such as interest rate, presence of any collateral or asset pledge to secure loan, to companies listed on the Stock Exchange engaging in the property development business in the PRC (“**PRC Property Developers**”).

As part of our analysis, to the best of our knowledge and belief, we have identified debt issue transactions (the “**Comparables**”) from 1 July 2013 to the Latest Practicable Date by PRC Property Developers listed on the Main Board of the Stock Exchange. To the best of our knowledge and as far as we are aware of, we found 8 companies which met these criteria. We consider that the Comparables are fair and representative samples to demonstrate the recent market practice and trend relating to debt issue carried out by PRC property developers. Shareholders should note that the scale and size of businesses, operations and prospects of the Company/Yueyang Company are not exactly the same as the Comparables. Summarised below is our relevant finding:

Comparables	Date of announcement	Amount	Interest per annum (%)	Collateral	Early redemption
Greenland Hong Kong Holdings Limited (337.HK)	11 October 2013	USD700 million	4.75	N/A	Yes
Franshion Properties (China) Limited (817.HK)	10 October 2013	USD300 million	5.375	N/A	Yes
China Properties Group Limited (1838.HK)	9 October 2013	USD150 million	13.5	Yes	Yes
Yuzhou Properties Company Limited (1628.HK)	27 September 2013	USD300 million	8.75	Yes	Yes
Wuzhou International Holdings Limited (1369.HK)	19 September 2013	USD100 million	13.75	Yes	Yes
Greentown China Holdings Limited (3900.HK)	17 September 2013	USD300 million	8.0	N/A	Yes
CIFI Holdings (Group) Co. Ltd. (884.HK)	12 September 2013	USD225 million	12.25	N/A	Not disclosed
Zhuguang Holdings Group Company Limited (1176.HK)	22 July 2013	USD200 million	12.5	Yes	Yes
Yueyang Company	15 October 2013	RMB100 million	13.0	Yes	Yes

*Source: Website of the Stock Exchange (www.hkex.com.hk)*

*USD: United States dollar, the lawful currency of the United States of America*



## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As stated previously, the Company has to early repay the interest free Previous Facility given by the Previous Facility Lender. As stated in the “Letter from the Board”, the annual interest rate of 13% per annum was arrived at after arms’ length negotiations between the Lender and AVIC Trust with reference to prevailing market interest rates. We have reviewed documents provided by the Lender and the Lender has also confirmed to us that the interest rate of 13% per annum is in line with that of the other loan facilities of the Lender obtained from AVIC Trust and other financial institutions, ranging from 13% to 15% per annum (with asset(s) pledged).

As shown in the above table, the annual interest rate of the Comparables ranged from 4.75% to 13.75%. The annual interest rate of 13% per annum to be borne by the Group falls within the range of the Comparables. As mentioned previously, in view of the Company were unable to obtain any feedbacks on loan facility from any banks/ financial institutions given Yueyang Company’s lack of track record in property development in the PRC. We concur with the Company’s view and it is in the interest of the Company to secure new loan facility to replace the previous facility in order to avoid any potential disruption undertaken by the Yueyang Company. In this regard and given the interest rate are within the range of the Comparables, we are of the view that the interest rate of the Transaction is acceptable and is fair and reasonable insofar as Shareholders are concerned.

### **Security Documents**

#### *Land Pledge*

The Borrower shall enter into a land pledge agreement with the AVIC Trust to pledge the certificate of state-owned land use<sup>#</sup> (國有土地使用權證) of a parcel of land situated on the western shores of Nanhu Lake<sup>#</sup> (南湖), Yueyang, Hunan province, the PRC with a site area of 156,403 sq. m. (the “**Land**”) (valued at approximately RMB490 million as of 31 December 2012) to the AVIC Trust as security for the full repayment of the outstanding AVIC Trust Loan and interest accrued thereof. As at 30 June 2013, according to the interim report of the Company for the six months ended 30 June 2013, the carrying amount of the Land was approximately HK\$590,086,000.

#### *Corporate Guarantee*

The Borrower shall enter into a corporate guarantee agreement with the AVIC Trust to provide corporate guarantee in favor of the AVIC Trust to guarantee the full repayment of the outstanding AVIC Trust Loan and the interest accrued thereof.

#### *Supervision Agreement*

The Borrower shall enter into a supervision agreement with the AVIC Trust pursuant to which commencing from the date of drawdown of the AVIC Trust Loan and up to the date of release/cancellation of the Land Pledge and the Corporate Guarantee, the AVIC Trust shall have the rights to appoint a construction supervisor and a financial controller to monitor the usage of corporate stamps/chops, usage and receipt of funds, and the bank accounts of the Borrower.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pursuant to the Security Documents, the AVIC Trust, in any event of default under the AVIC Trust Loan, shall exercise its respective rights under the Security Documents, including but not limited to, enforcing the Land Pledge.

Pursuant to the Financial Assistance Agreement, the Lender has undertaken to the Borrower that:

- (i) no events of default under the AVIC Trust Loan shall occur. In the event of any defaults of the AVIC Trust Loan not caused by the Borrower, the Lender shall indemnify all losses of the Borrower, including but not limited to the early recall of the Entrusted Loan while the Borrower is not in breach of the Financial Assistance Agreement and the Entrusted Loan Agreement;
- (ii) it shall immediately repay to the AVIC Trust any repayments it has received from the Borrower pursuant to the Financial Assistance Agreement and/or the Entrusted Loan Agreement;
- (iii) all the Security Documents shall be immediately released upon the due repayment of all outstanding indebtedness in accordance with the Financial Assistance Agreement and/or the Entrusted Loan Agreement; and
- (iv) beginning from the entering into of the Financial Assistance Agreement up to the repayment of all outstanding indebtedness thereunder for the satisfaction of the AVIC Trust Loan, all the relevant operating rights and authority of control of the Joint Account must be jointly monitored and executed by the Borrower and the Lender.

Given the above undertakings from the Lender and the Company has confirmed that it will take appropriate measures to govern the repayment of the AVIC Trust Loan and closely monitor the Joint Account in order to safeguard its assets. We consider the terms of Corporate Guarantee and Supervision Agreement are on normal commercial terms and are in the interests of the Company and its shareholders as a whole.

We note that the value of the pledged assets to AVIC Trust is higher than the aggregate value of the Entrusted Loan under the Transaction. As advised by the Directors, the credit risk borne by the lender and the interest rate chargeable will generally decrease as the value of the collateral increase. Moreover, certain factors including quality and marketability of the pledged assets play an important determinant in justifying the reasonable value of the pledged assets. According to the VSA Circular, the net asset value of Yueyang Company is approximately HK\$619.35 million as at 31 December 2012 after adjusted for, inter alia, valuation of a piece of land located at Nanhu Lake (南湖), Yueyang, Hunan province, the PRC. Pledged assets may also be subject to a substantial marketability discount to compensate for their low liquidity. Given the Lender had also pledged its asset(s) to secure loans from other financial institutions, we consider the pledge of assets to AVIC Trust is on normal commercial terms.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In light of the above and taking into consideration (i) the Lender agrees to act as a platform for the arrangement of the AVIC Trust Loan and the Entrusted Loan; (ii) the interest rate as attached to both the AVIC Trust Loan and the Entrusted Loan are the same; (iii) the Lender has given certain undertakings favorable to the Yueyang Company under the Financial Assistance Agreement; and (iv) the Entrusted Loan can replace the Previous Facility and ensure the continual development of the Project Site. We are of the view that the Transaction is fair and reasonable, the terms of which are on normal commercial terms so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

### **Possible financial effects**

#### *Financial effect of the Transaction*

Yueyang Company is an indirect wholly-owned subsidiary of the Company which in turn, is owned as to 53.49% by Mr. Yang (the chairman of the Company and an executive Director) who is the controlling shareholder of the Lender, Anhui Landing. Its respective turnover, assets and liabilities are consolidated into the consolidated accounts of the Company. Upon completion of the Transaction, Yueyang Company will remain as an indirect wholly-owned subsidiary of the Company and it is expected that there will be no material impact on the turnover, assets and liabilities and working capital position of the Company save for the increase in both assets and liabilities as a result of the Transaction and the interest expenses incurred thereof.

#### *Effect on net asset value*

According to the Company's 2013 interim report, unaudited net asset value of the Group as at 30 June 2013 was approximately HK\$373,078,000. The Transaction is not expected to have any material effect on the net asset value of the Group for the financial year ending 31 December 2013 save for the interest expenses incurred thereof.

#### *Effect on earnings*

Apart from the interest expenses arising from the Entrusted Loan, the Transaction is not expected to have any impact on the Group's financial results.

#### *Effect on working capital and gearing*

According to the "Letter from the Board", it is the intention of the Directors to utilize the Entrusted Loan partly for the repayment of the Previous Facility and the remaining for financing the construction works at the Project Site. According to the Company's 2013 interim report, the Group's gearing ratio (being total borrowings over the Group's total shareholders' equity) was approximately 20.32%. It is expected that the gearing ratio of the Group would increase subsequent to the completion of the Transaction.

<b>LETTER FROM THE INDEPENDENT FINANCIAL ADVISER</b>
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**RECOMMENDATION**

Having taken into consideration the above principal factors and reasons, we are of the opinion that the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions respectively contemplated thereunder (including the entering into of the Security Documents) are in the ordinary and usual courses of business, fair and reasonable and the terms are on normal commercial terms so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions respectively contemplated thereunder (including the entering into of the Security Documents).

Yours faithfully,  
For and on behalf of  
**South China Capital Limited**  
**Francis Yeung**  
*Managing Director*

## GENERAL INFORMATION

### 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### 2. DIRECTORS' INTEREST AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executive of the Company has any interests and short position in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV or the SFO (including interests and short positions which they are taken or deemed to have under such provisions of SFO); or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies of the Listing Rules and none of the Directors is a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholders	Capacity and nature of interest	Number of Shares held	Long or short position	Approximate percentage of the issued share capital of the Company
Mr. Yang ( <i>Note</i> )	Interest of	5,052,129,176	Long	53.49%
	controlled corporation	2,774,520,547	Short	29.38%
Ms. Xu Ning (“ <b>Ms. Xu</b> ”)	Interest of spouse	5,052,129,176	Long	53.49%
		2,774,520,547	Short	29.38%

*Note:* Mr. Yang held 5,052,129,176 Shares through Landing International, a company beneficially owned by him and Mr. Yang is the sole director of Landing International. As at the Latest Practicable Date, 2,774,520,547 Shares have been mortgaged to Hong Han Limited by Landing International. Ms. Xu as the spouse of Mr. Yang is deemed to be interested in the said Shares under Part XV of the SFO.

## GENERAL INFORMATION

### **3. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors are not aware of any material adverse changes in the financial or trading position of the Company since 31 December 2012, being the date to which the latest published audited financial statements of the Company were made up.

### **4. SERVICE CONTRACT**

As at the Latest Practicable Date, none of the Directors has a service agreement with any member of the Group which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### **5. DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

Save for Mr. Yang and Ms. Xu, being respectively the controlling shareholder and a shareholder of Anhui Landing, which is a company principally engaged in property development in the PRC, none of the Directors or their respective associates was interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the Group's businesses as at the Latest Practicable Date.

### **6. DIRECTORS' MATERIAL INTERESTS**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2012, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the date of this circular and which is significant in relation to the business of the Group.

### **7. LITIGATION**

As far as the Directors are aware, no member of the Group is engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened against any member of the Group as at the Latest Practicable Date.

## GENERAL INFORMATION

### 8. MATERIAL CONTRACTS

Save as disclosed below, neither the Company nor any of its subsidiaries had, within the two years preceding the date of this circular entered into any contracts which are or may be material, other than contracts in the ordinary course of business carried on or intended to be carried on by the Group:

- (a) the land acquisition agreement dated 25 October 2013 entered into between Landing Jeju Development Co., Ltd.\*, a direct wholly-owned subsidiary of the Company, as purchaser, Jeju Free International City Development Center as the vendor and the Company as guarantor in relation to the acquisition of certain parcels of land totaling approximately 2,319,613 m<sup>2</sup> of the Myth-History Park project located at Seogwang-ril in Andeog-myeon, Seoguipo City, Jeju, Korea at the aggregate consideration of KRW136 billion (equivalent to approximately HK\$992.70 million);
- (b) the Financial Assistance Agreement;
- (c) the Entrusted Loan Agreement;
- (d) the sale and purchase agreement dated 22 January 2013 entered into between the Company as purchaser, Hong Han Limited as the vendor and Mr. Wan Zhongbo as the guarantor in relation to the acquisition of Double Earn Holdings Limited at the consideration of HK\$550 million;
- (e) the underwriting agreement dated 10 February 2012 entered into between the Company, and Hong Han Limited and Kingston Securities as underwriters in relation to the open offer of one offer share for every two existing shares held on the record date of 11 April 2012 with bonus issue on the basis of eleven bonus shares for every one offer share taken up under the open offer to raise a net proceeds of approximately HK\$102.3 million; and
- (f) the sale and purchase agreement dated 19 January 2012 entered into by the Company as vendor with Mezzo International Limited as purchaser, and Mr. Lee Seng Hui as guarantor, pursuant to which the Company has conditionally agreed to sell, and the purchaser has conditionally agreed to acquire, the 5,100 shares in Rookwood Investments Limited and the sale loan in the amount of HK\$31,476,000 at a total consideration of HK\$154,000,000.

*In this circular, save as otherwise stated, figures in KRW are translated to HK\$ at the exchange rate of HK\$1.00 = KRW137 for illustration purposes only. No presentation is made that any amount in HK\$ or KRW would have been or can be converted at the above rate.*

\* For identification purposes only

## GENERAL INFORMATION

### 9. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions contained in this circular:

Name	Qualification
South China Capital Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the Independent Financial Adviser had not had any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, since 31 December 2012, the date to which the latest audited financial statements of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

### 10. MISCELLANEOUS

- (a) The registered office of the Company is situated at Clarendon House, 2 Church Street Hamilton HM 11 Bermuda and its principal place of business in Hong Kong is Suites 5801–5804, 58/F Two International Finance Centre, No 8 Finance Street, Central, Hong Kong.
- (b) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (c) The secretary of the Company is Ms. Lam Pui Sea, a member of the Hong Kong Institute of Certified Public Accountants.
- (d) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

### 11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's head office and principal place of business in Hong Kong at Suites 5801–5804, 58/F Two International Finance Centre, No 8 Finance Street, Central, Hong Kong, for 14 days from the date of this circular.

- (a) the bye-laws of the Company;



## GENERAL INFORMATION

- (b) the written consent given by the expert referred to in the paragraph headed “Expert and Consent” of this section;
- (c) the letter from the Independent Board Committee;
- (d) the letter from the Independent Financial Adviser;
- (e) the annual reports of the Company for each of the three financial years ended 31 December 2012 and the interim report of the Company for the six months ended 30 June 2013;
- (f) the material contracts referred to in the paragraph headed “Material Contracts” of this section;
- (g) a copy of each circular of the Company pursuant to the requirements set out in Chapter 14 and Chapter 14A of the Listing Rules which has been issued since 31 December 2012, being the date to which the latest published audited consolidated financial statements of the Group were made up; and
- (h) this circular.



**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)**

**NOTICE IS HEREBY GIVEN** that the special general meeting (the “**Meeting**”) of Landing International Development Limited (the “**Company**”) will be held at Unit 2102, 21/F, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong on Friday, 29 November 2013 at 10:30 a.m. to consider and, if thought fit, pass with or without amendments the following resolution:

**ORDINARY RESOLUTION**

**“THAT**

- (a) the Financial Assistance Agreement (as defined in paragraph (c) below), the Entrusted Loan Agreement (as defined in paragraph (c) below) and the transactions respectively contemplated thereunder (including the entering into of the Security Documents (as defined in paragraph (c) below)) be and are hereby confirmed, ratified and approved; and
- (b) any Director be and is hereby authorized to do all such acts and things, including but without limitation to the execution of all such documents under seal where applicable, as he/she may in his/her discretion consider necessary, expedient or desirable for the purpose of or in connection with the implementation of or giving effect to the Financial Assistance Agreement, the Entrusted Loan Agreement and the transactions respectively contemplated thereunder (including the entering into of the Security Documents).
- (c) For the purposes of this resolution:

“**Financial Assistance Agreement**” means the financial assistance agreement dated 15 October 2013 entered into between Anhui Landing Holding Group Co., Ltd (the “**Lender**”) and Yueyang Nanhu Meishu Properties Limited<sup>#</sup> (岳陽南湖美墅置業有限公司) (the “**Borrower**”), an indirect wholly-owned subsidiary of the Company, for the Entrusted Loan;

“**Entrusted Loan**” means the loan in the principal amount of RMB100 million under the Entrusted Loan Agreement;

“**Entrusted Loan Agreement**” means the entrusted loan agreement dated 15 October 2013 entered into among the Lender, Bank of JiuJiang Co., Ltd and the Borrower in relation to the Entrusted Loan; and

## NOTICE OF SGM

“**Security Documents**” means (i) the land pledge agreement to be entered into by the Borrower in favour of AVIC Trust Company Limited<sup>#</sup> (中航信托股份有限公司) (“**AVIC Trust**”) for the pledge of the certificate of state-owned land use<sup>#</sup> (國有土地使用權證) of a parcel of land situated on the western shores of Nanhu Lake<sup>#</sup> (南湖), Yueyang, Hunan province, the People’s Republic of China; (ii) the corporate guarantee agreement to be entered into by the Borrower in favour of AVIC Trust; and (iii) the supervision agreement to be entered into by the Borrower in favour of the AVIC Trust to grant the AVIC Trust the right to appoint a construction supervisor and a financial controller to monitor the usage of corporate stamps/chops, usage and receipt of funds, and the bank accounts of the Borrower.”

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

Hong Kong, 13 November 2013

*Notes:*

- (1) Any shareholder of the Company (the “**Shareholder(s)**”) entitled to attend and vote at the SGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a Shareholder.
- (2) The form of proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
- (3) Delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the SGM and in such event, the form of proxy shall be deemed to be revoked.
- (4) Where there are joint Shareholders any one of such joint Shareholder may vote, either in person or by proxy, in respect of such shares as if he were solely entitled thereto, but if more than one of such joint Shareholders be present at the SGM the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint Shareholders, and for this purpose seniority shall be determined by the order in which the names stand in the register of shareholders of the Company in respect of the joint holding.
- (5) The form of proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company’s branch share registrar in Hong Kong, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof at which the person named in the form of proxy proposes to vote or, in the case of a poll taken subsequently to the date of the SGM or any adjournment thereof, not less than 48 hours before the time appointed for the taking of the poll and in default the form of proxy shall not be treated as valid.

<sup>#</sup> *The English translation of Chinese names or words in this notice, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*