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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)

VERY SUBSTANTIAL ACQUISITION AND RESUMPTION OF TRADING

THE ACQUISITION

The Board is pleased to announce that the Group has won the bid for the Target Company which owns and operates Les Ambassadeurs Club — one of the most exclusive luxury casinos in the UK located in London's upscale Mayfair district. On 7 December 2015, United Time, an indirect wholly owned subsidiary of the Company, as the Purchaser, the Company as the purchaser guarantor, the Seller and the Seller Guarantor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Seller has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company at the Base Consideration of £137,000,000 (equivalent to approximately HK\$1,644,000,000) (subject to Adjustment).

Subject to and upon Completion, the Purchaser will become the legal and beneficial shareholder of the entire issued share capital of the Target Company.

LISTING RULES IMPLICATIONS

As one or more of the relevant percentage ratios applicable to the Company exceeds 100%, the entering into of the Sale and Purchase Agreement constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. To the best knowledge of the Company, no Shareholder has a material interest in the Acquisition and therefore no Shareholder is required to abstain from voting on the proposed resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the SGM as at the date of this announcement.

Shareholders should be aware that under the Guidance Letter, should the Group directly or indirectly be engaged in gambling activities and operation of such gambling activities (i) fail to comply with the applicable laws in the areas where such activities operate and/or (ii) contravene the Gambling Ordinance, the Company or its business may be considered unsuitable for listing under Rule 8.04 of the Listing Rules, the Stock Exchange may direct the Company to take remedial action, and/or may suspend dealings in, or may cancel the listing of, the Shares. In this connection, the Company will comply with all applicable laws and the Listing Rules, including the requirements under the Guidance Letter and will seek proper legal advice thereon. As at the date of this announcement, having reviewed and considered a preliminary legal opinion from the Company's legal adviser in the UK, the Company is satisfied that the Target Company is appropriately licensed to provide facilities for gambling in a land-based casino and has not been found to be in breach of any applicable laws and regulations of the UK. The Company will make further announcement as soon as other legal advice(s) is/are obtained.

GENERAL

The Company will despatch the circular in accordance with the requirements under the Listing Rules, containing among other things, (i) further information on the Target Company, the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) the financial information of the Target Company; (iii) the unaudited pro forma financial information of the Enlarged Group upon Completion; and (iv) notice of the SGM. As the Company requires time for compiling the financial information for inclusion in the circular pursuant to the Listing Rules, the circular is expected to be despatched to the Shareholders on or before 4 January 2016.

Shareholders and potential investors should note that completion of the Sale and Purchase Agreement is subject to the fulfillment or waiver (as the case may be) of the conditions contained under the Sale and Purchase Agreement, therefore the Sale and Purchase Agreement may or may not proceed. Accordingly, the Acquisition may or may not materialize and Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 7 December 2015 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 11 December 2015 following the publication of this announcement.

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On 7 December 2015, United Time, an indirect wholly owned subsidiary of the Company, as the Purchaser, the Company as the purchaser guarantor, the Seller and the Seller Guarantor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has

conditionally agreed to acquire and the Seller has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company at the Base Consideration of £137,000,000 (equivalent to approximately HK\$1,644,000,000) (subject to Adjustment (as defined below)).

SALE AND PURCHASE AGREEMENT

Date

7 December 2015

Parties

- (i) United Time Corporation Limited, an indirect wholly owned subsidiary of the Company, as the Purchaser
- (ii) the Company as the purchaser guarantor
- (iii) Twinwood Limited as the Seller
- (iv) Bluestream Holdings Limited, the sole shareholder of the Seller, as the Seller Guarantor

To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, the Seller, the Seller Guarantor and their ultimate beneficial owner 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, and have no relationship (shareholding, business or otherwise) with any previous vendors of the Jeju Casino.

Assets to be acquired

The Sale Shares, representing the entire issued share capital of the Target Company, excluding gaming debt receivables of the Target Company as at the Completion Date.

Consideration

The consideration for the Sale Shares ("**Final Consideration**") will be calculated as follows:

- (1) £137,000,000 (equivalent to approximately HK\$1,644,000,000) (the "**Base Consideration**");
- (2) less Actual Completion Debt; and
- (3) either (a) plus the amount by which the Actual Working Capital is greater than zero or (b) minus the amount by which the Actual Working Capital is less than zero; (composition (2) and (3) collectively as "**Adjustment**").

The Base Consideration will be paid in the following manner:

- (1) £20,550,000 (equivalent to approximately HK\$246,600,000) has been paid upon the execution of the Sale and Purchase Agreement (“**First Tranche Payment**”);
- (2) £27,400,000 (equivalent to approximately HK\$328,800,000) to be paid on 7 March 2016 (“**Second Tranche Payment**”);
- (3) £20,550,000 (equivalent to approximately HK\$246,600,000) to be paid on 7 April 2016 (“**Third Tranche Payment**”); and
- (4) £68,500,000 (equivalent to approximately HK\$822,000,000) (after deducting the Estimated Completion Debt) to be paid on Completion.

The Adjustment will be settled either by the Purchaser or the Seller (as the case may be) within 5 Business Days of the Completion Statement being agreed by the Purchaser and the Seller.

The Final Consideration will be funded by the Group’s internal resources and debt financing.

The Base Consideration represented the offer price submitted by the Company for the bidding of the Target Company and was arrived at by the Company based on, among other things, the business prospect of Les Ambassadeurs Club, its market position as one of the leading luxury casinos in London and the EBITDA of the Target Company for the years 2013 (approximately £22,479,000) and 2014 (approximately £23,327,000) and 10 months up to October 2015 (approximately £3,158,600).

The Base Consideration valued the Target Company at an EBITDA multiple of approximately 7.93 (based on the average EBITDA for 2013, 2014 and 10 months up to October 2015 so that any extra-ordinary fluctuations in any specific period can be averaged out to achieve a fairer basis). With reference to (a) the EBITDA multiples for gaming entities worldwide ranging between 4.4 and 17.5 for 2015 with a median of 9.5 (based on global gaming industry estimates, excluding one single outlier*); and (b) the shares of The Rank Group PLC, a gaming group listed on the London Stock Exchange with approximately 95% of its revenue deriving from the UK of which 30% was generated from its operations in London, have been traded at an EBITDA multiple (based on its EBITDA for the year ended 30 June 2015) ranging between approximately 4.83 and 8.69 and an average of 6.74 during the twelve-month period from 1 December 2014 to 30 November 2015, the EBITDA multiple of the Base Consideration is (a) within the market range and (b) slightly over the average EBITDA multiple of The Rank Group PLC but lower than the industry median. Based upon the aforesaid comparisons, the Directors consider that the Base Consideration is fair and reasonable.

Considering that a longer pre-closing period is required for the Company to obtain Shareholders’ approval and pre-approval from the Gambling Commission for the change of control of the Target Company, which might undercut the Group’s bid when compared to the other bidders’, a progressive payment schedule for the Base Consideration was offered to make the Group’s bid more appealing and to incentivize the Seller in accepting a longer closing time. In view of the aforesaid, the Board considers the payment schedule to be fair and reasonable and justified in the circumstances.

The terms of the Adjustment were arrived at after arm's length negotiations between the Purchaser and the Seller having regard to the Acquisition to be carried out on a cash-free and debt-free basis. Based on the management accounts of the Target Company for the period up to 31 October 2015, the total outstanding debts and the working capital of the Target Company amounted to approximately £12,295,000 (equivalent to approximately HK\$147,540,000) and £7,666,000 (equivalent to approximately HK\$91,992,000) respectively as at 31 October 2015.

Conditions precedent

Completion is conditional upon the satisfaction of, among others, the following conditions:

- (i) the Company obtaining Shareholders approval for the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained;
- (ii) the Purchaser completing its due diligence exercise before 31 December 2015 in the manner set out in the Sale and Purchase Agreement to its reasonable satisfaction;
- (iii) the Purchaser obtaining pre-approval from the Gambling Commission in relation to the change of the control of the Target Company;
- (iv) the Seller (a) not being in breach of its obligations to procure that all information and documents reasonably required to be provided by the Company to any of its Shareholders, the Stock Exchange and the Gambling Commission are promptly given for the purpose of fulfilling the conditions (i) and (iii) mentioned above; or (b) not being in material breach of any term of the Sale and Purchase Agreement (other than a breach of the pre-closing undertakings (please see the paragraph headed "Pre-closing undertakings of the Seller" below) covered by (c)); and (c) not being in breach of certain of the Seller's pre-closing undertakings which would give rise to a material claim made by the Purchaser under the Sale and Purchase Agreement; and in each case, such breach not being remedied by the Seller to the reasonable satisfaction of the Purchaser after the Seller having been notified by the Purchaser of such breach or alleged breach prior to Completion;
- (v) there being no circumstance, event, matter, or thing constituting a breach of any of the warranties or the tax warranties at Completion which would, whether taken together or individually, give rise to a material claim made by the Purchaser under the Sale and Purchase Agreement; and
- (vi) there being no disclosure(s) in the completion disclosure letter from the Seller of any circumstance, event, matter or thing which had it not been disclosed, would, whether taken together or individually, give rise to a material claim made by the Purchaser under the Sale and Purchase Agreement.

Each party shall use its reasonable endeavours to ensure the satisfaction of the above conditions precedent as soon as possible. The Purchaser may at its absolute discretion waive the above conditions (ii) to (vi). No other conditions is waivable by any parties. If the above conditions are not satisfied (or, where applicable, waived) on or before 4:00 p.m. (Singapore time) on the date that is 5 months from the date of the Sale and Purchase Agreement or such

later date as agreed between the Purchaser and the Seller in writing, the Sale and Purchase Agreement shall cease and determine, neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

The Company is in the process of collating and compiling the information and documents required for the pre-approval application to be made to the Gambling Commission. The Company has engaged experienced legal advisers and consultant in the UK to assist and facilitate the application process. According to the Group's legal advisers engaged for this intended application, the approval process may take approximately two to three months (from date of submission) to complete.

Pre-closing undertakings of the Seller

From the date of the Sale and Purchase Agreement until Completion, the Seller shall procure, among others, that

- (i) the business of the Target Company to be carried on in the ordinary and usual course;
- (ii) the Purchaser and its agents to have reasonable access to the casino premises, management and material records and documents under reasonable request by the Purchaser, and
- (iii) the Target Company not to conduct certain activities without the prior written consent of the Purchaser, including, among others, (a) any material change in the nature or scope of the Target Company's business; (b) the creation of any encumbrance over any of the Target Company's assets; (c) the acquisition or disposal of any material assets; and (d) extend or increase any loan or advance to any party except gaming debts arising in the ordinary course of business.

Completion

Subject to the fulfillment (or waiver) of all the conditions precedent, completion shall take place on the date falling on the day that is 2 Business Days after the last of the conditions (i), (ii) and (iii) set out above has been fulfilled (or waived) (the "**Completion Date**").

Subject to and upon Completion, the Purchaser will become the legal and beneficial shareholder of 100% of the issued share capital of the Target Company, which owns and operates Les Ambassadeurs Club.

Termination

If any of the Second or Third Tranche Payments is not paid within 5 Business Days of its respective due day, the rights and obligations of the parties of the Sale and Purchase Agreement shall cease immediately, save in respect of antecedent breaches or with respect to the continuing provisions.

If the Sale and Purchase Agreement is terminated due to either (a) the conditions precedent (iv) to (vi) (as mentioned above) not having been satisfied or (b) a material breach by the Seller of its completion obligations, the Seller shall repay or procure the repayment of the Deposits (or any amount of such Deposits which has been paid to the Seller up to the date

of such termination) to the Purchaser within 5 Business Days after such termination and no further amount of any of the Deposits shall be payable. For termination due to any other reasons, the Deposits (or any amount of such Deposits which has been paid to the Seller up to the date of such termination) shall be retained by the Seller and shall not be refundable to the Purchaser.

Guarantee

Purchaser Guarantor

The Company has unconditionally and irrevocably guaranteed to the Seller the punctual performance by the Purchaser of all the Purchaser's obligations under the Sale and Purchase Agreement and relevant transaction documents.

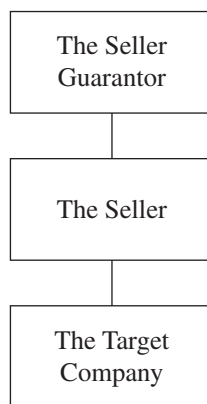
Seller Guarantor

The Seller Guarantor has unconditionally and irrevocably guaranteed to the Purchaser the punctual performance by the Seller of all the Seller's obligations under the Sale and Purchase Agreement and relevant transaction documents.

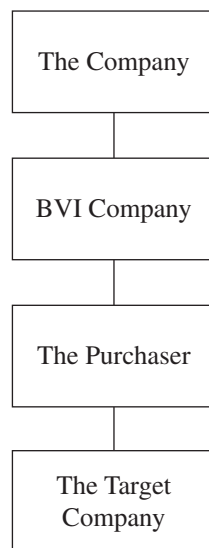
Shareholding Structure of the Target Company

The following charts show the simplified shareholding structure of the Target Company (a) as at the date of the Sale and Purchase Agreement; and (b) immediately after Completion:

(a) as at the date of the Sale and Purchase Agreement



(b) *immediately after Completion*



INFORMATION OF THE SELLER

The Seller is incorporated in England and Wales with limited liability. The Seller is wholly owned by the Seller Guarantor which is incorporated in the BVI with limited liability. Both the Seller and the Seller Guarantor are investment holding companies.

INFORMATION OF TARGET COMPANY

The Target Company is a company incorporated in England and Wales with limited liability and is wholly and beneficially owned by the Seller. The Target Company principally engages in casino operation and is currently the owner and operator of Les Ambassadeurs Club. The Club is a gambling club with currently 45 gaming tables offering a variety of games including American roulette, baccarat, blackjack, three card poker.

Les Ambassadeurs Club is one of the most exclusive and distinguished gambling clubs in the UK located in the very heart of London's upscale Mayfair district at Nos. 5 and 6 Hamilton Place, which is a fine historic and spacious building with a number of stylish private gaming rooms, a notable main staircase and an elegant library. The Club can trace its history back to as early as the 19th century and was re-opened in its present form in 1991. According to the information available on the website of Les Ambassadeurs Club, since its re-opening, it has once again established itself as a major landmark in the architectural heritage and social life of the Mayfair and London scene, and as one of the most exclusive and sought after casino memberships. It has long been a gathering place for prominent clientele from London and from around the world. The Club has an international customer base who are mainly ultra-high net worth individual customers. In recent years, emphasis has been put in expanding its Asian customer base to complement its more traditional strength with European and Middle Eastern customers.

Currently, there are 27 casinos operating in London, 6 of them have traditionally been regarded as being 'high end', including Les Ambassadeurs Club. The casino business in London is physically highly concentrated with all the main Mayfair casinos being located within a few hundred yards of each other close to Hyde Park Corner in the south west part

of Mayfair. Les Ambassadeurs Club occupies a prime position in this location and situates inside the largest and most flexible building, making it a unique and exclusive casino at the district. In recent years, it has grown to be one of the leading casinos among those high end casinos in the UK. According to the information provided by the Seller, for the 12 months ended 31 December 2014, the Club had a market share of approximately 36% of the high end gaming market in terms of casino drop and approximately 27% in terms of attendance. This market position of Les Ambassadeurs Club has been built on its long history, substantial and loyal customer base, prime location and its experienced management and staff.

Set out below is the financial information of the Target Company:

	For the year ended 31 December 2012 (audited) (Approximately) £'000 HK\$'000		For the year ended 31 December 2013 (audited) (Approximately) £'000 HK\$'000		For the year ended 31 December 2014 (audited) (Approximately) £'000 HK\$'000		For the ten months ended 31 October 2015 (unaudited) (Approximately) £'000 HK\$'000	
Revenue	63,248	758,976	61,031	732,372	131,717	1,580,604	33,910	406,920
Gaming revenue	58,058	696,696	39,298	471,576	104,876	1,258,512	16,436	197,232
Net profit before tax	9,066	108,792	20,580	246,960	22,009	264,108	1,207	14,484
Net profit after tax	7,225	86,700	15,525	186,300	17,769	213,228	1,080	12,960
EBITDA	10,273	123,276	22,479	269,748	23,327	279,924	3,159	37,908
Rolling Turnover for rolling business	1,000,000	12,000,000	1,631,513	19,578,156	5,306,614	63,679,368	2,217,696	26,612,352
Drop for non-rolling business	450,196	5,402,352	495,294	5,943,528	529,272	6,351,264	408,467	4,901,604
Win rate for rolling business (GGY/Rolling Turnover)	3.5%		3.1%		2.4%		1.3%	
Win rate for non-rolling business (GGY/Drop)	6.9%		10.4%		18.7%		14.5%	
					As at 31 December 2014 (audited) (Approximately) £'000 HK\$'000		As at 31 October 2015 (unaudited) (Approximately) £'000 HK\$'000	
Net Assets					46,337	556,044	32,543	390,516

The Club has generated its gaming revenue from two streams of revenue, namely the rolling business and the non-rolling business. Rolling business generally represents gaming by customers who join the VIP program and roll their funds (predominately baccarat) while non-rolling business represents the remaining gaming. Traditionally, the win rate is calculated by the ratio of GGY to the Rolling Turnover for rolling business and by the ratio of GGY to the Drop for non-rolling business.

The gaming revenue of the Club in FY2013 dropped by approximately 32% when compared to that of FY2012 as a result of a few substantial wins by long term players, but EBITDA increased by over 118% to approximately £22,479,000 (FY2012 EBITDA approximately £10,273,000) mainly due to a positive recovery of prior period uncollected gaming debts.

The gaming revenue for FY2014 achieved a year over year increase of approximately 167% mainly as a result of a few substantial losses by long term players in July and August 2014, but EBITDA had increased only by approximately 4% over that of FY2013 due to an increase in the provision for uncollected gaming debts during the year. Comparing to the financial year ended 31 December 2014, the Target Company experienced a significant drop in its performance in the first 10 months of 2015. According to the Seller, the reasons for this are mainly twofold: (a) that it has started the sale process of the Target Company since March 2015 and has since directed its management to slow down the business in order to lower the gaming risk, for if the Target Company loses, the Seller will not have any chance of winning back following the sale and change of ownership; and (b) that 2015 has been a year of “bad luck” for the Club with win rates lower than the expected or average ones.

According to the financial records provided by the Seller as shown in the table above, the annualized Rolling Turnover of rolling business for the period up to October 2015 was down by 50% compared to 2014, whereas the win rate was approximately 44% lower than that of 2014. According to the Seller, there was a high rolling customer in 2014 who generated rolling turnover of approximately £1,500,000,000 with no significant net gaming result. Excluding this single outlier, the annualized Rolling Turnover for 2015 was down by 30% compared to 2014, whereas the win rate was still 44% lower than that of 2014. The annualized Drop of non-rolling business for 2015 was down only by 7% compared to 2014, whereas the win rate was 22% lower than that of 2014. As the gross gaming revenue (i.e. actual win) of a casino highly depends on the win rate, it was this inherent element of chance in the operations that had affected adversely the latest performance of the Club.

REGULATORY FRAMEWORK

Gambling Act 2005 (“Gambling Act”)

Les Ambassadeurs Club is operated pursuant to operating licences issued by the Gambling Commission under the Gambling Act and a casino premises licence issued under the Gambling Act by the City of Westminster in its capacity as licensing authority.

The Gambling Commission is an independent non-departmental public body sponsored by the Department for Culture, Media and Sport (“**DCMS**”) that regulates the industry in Great Britain, issues licences to operators, and seeks to ensure that adequate controls are in place to prevent casinos from being used for money laundering or terrorist financing.

The operation of the casino business is governed mainly by the Gambling Act which establishes the laws in the gaming industry and the overall structure of gambling regulation in Great Britain.

In relation to the prevention of money laundering and terrorist financing, the casino business is subject to the Licence Conditions and Codes of Practice (“**LCCP**”) issued by the Gambling Commission under the Gambling Act, the Money Laundering Regulations 2007, the Proceeds of Crime Act 2002 and the Terrorism Act 2000.

More generally, the holder of an operating licence of a casino should comply with the LCCP in relation to such matters as personal licences for key employees, cash handling and protection of customer funds, technical standards, marketing and social responsibility code provisions. The holder of an operating licence should also act in accordance with any

guidance provided by the Gambling Commission on prevention of money laundering and combating the financing of terrorism and have and put into effect policies and procedures to manage any risks to the statutory licensing objectives.

The holder must also comply with any statutory conditions attached to the Casino Premises Licence under the Gambling Act or other conditions imposed by City of Westminster under the Mandatory and Default Conditions (England and Wales) Regulations 2007.

Licensing Act 2003 (“Licensing Act”)

In addition to the licences issued under the Gambling Act, a premises licence has been issued by the City of Westminster under the Licensing Act to allow licensable activities, including the sale of alcohol by retail, to take place at the casino premises.

The holder of a premises licence must comply with the mandatory licensing conditions under the Licensing Act, any conditions consistent with the operating schedule attached to the premises licence and any conditions imposed by the licensing authority after a hearing.

Licences held by the Target Company

(i) Operating Licences

The Target Company operates the Club pursuant to two casino operating licences, namely the non-remote casino operating licence (“**Non-Remote Licence**”) and the ancillary remote operating licence (“**Remote Licence**”) issued by the Gambling Commission under the Gambling Act.

The Non-Remote Licence was issued on 9 October 2007 and last amended on 17 September 2014 with unlimited duration, which authorizes the Target Company to operate a casino in a premises. The Remote Licence was issued on 17 October 2007 and last amended on 4 August 2014 with unlimited duration, which authorizes the Target Company to provide remote communication facilities for casino gaming inside the premises. Both the Non-Remote Licence and the Remote Licence are subject to the Licence Conditions and Codes of Practice, including both ordinary code provisions and social responsibility code provision, under the Gambling Act. The Gambling Commission expects the licensees to conduct the gambling operations in a way that does not put the licensing objectives at risk, to work with the Gambling Commission in an open and cooperative way and to disclose anything which the Gambling Commission would reasonably need to be aware of in exercising its regulatory functions, in particular, anything that is likely to have material impact on the licensee’s business or on the licensee’s ability to conduct licensed activities compliantly.

Unlike a full remote operating licence for online gambling, the Remote Licence held by the Target Company allows gaming by remote communication equipment (such as electronic roulette) only for gaming taking place entirely inside the premises.

(ii) *Premises Licences*

The Target Company has been granted a converted casino premises licence (“**Premises Licence**”) under the Gambling Act and a liquor premises licence (the “**Activities Licence**”) under the Licensing Act by the City of Westminster in its capacity as the licensing authority.

The Premises Licence was issued on 1 September 2007 and last updated on 18 November 2015 with unlimited duration, which authorizes the Target Company to operate the Club in a specific premises, that is the Hamilton Place.

The Activities Licence was last updated and issued on 18 November 2015 with unlimited duration, which specifies the licensable activities and time those licensable activities could be carried out. The licensable activities allowed for the Target Company include performance of dance, exhibition of a film, indoor sporting event, performance of live music, playing of recorded music, performance of a play, late night refreshment, private entertainment consisting of dancing, music or other entertainment of a like kind for consideration and with a view to profit and sale by retail of alcohol.

Internal controls

Les Ambassadeurs Club has established compliance policies in relation to (i) anti-money laundering and (ii) prevention and detection of bribery and corruption, detailing certain controls and procedures to meet the anti-money laundering and the counter-terrorism financing requirements and to prevent bribery according to the Bribery Act 2010 (the “**Compliance Policies**”).

To ensure compliance with all applicable laws and regulations on prevention of money laundering and terrorism financing, the Group has engaged an internationally reputed accounting firm having practices in both Hong Kong and the UK to review and advise on the internal control and procedures for the management and operation of Les Ambassadeurs Club, in particular on areas of anti-money laundering and counter-terrorism financing. After Completion, the Company will implement any recommendations or suggestions made by the consultants on top of the Compliance Policies currently adopted. The compliance director of the Target Company, with a team of compliance officers, will, from time to time, evaluate the internal policies and monitor the implementation and effectiveness of those policies. The Board will periodically communicate and review the internal controls and operation of the Club to ensure the operation of the gambling activities would comply with the applicable laws, especially those related to the anti-money laundering law and regulation, and not contravene the Gambling Ordinance.

As at the date of this announcement, the Company was not informed of any non-compliance with any of the relevant rules and regulation during the due diligence review.

POTENTIAL RISK FACTORS

After reviewing the operation of the Casino Business, the Group considers that major potential risks include (a) general risk factors applied to the overall casino business operation and (b) specific risk factors applied to the Club:

General Risk Factors

- (i) *Winnings of players in casino could exceed casino's winnings:* since there is an inherent element of chance in the gaming industry, a casino does not have full control over its winnings of the players. If the winnings of players exceed those of the casino, the Group may record a loss from gaming operations, which could materially and adversely affect the Group's business, cash flow, financial condition, results of operations and prospects;
- (ii) *Theoretical win rates for casino operations depend on a variety of factors, some beyond its control:* in addition to the element of chance, theoretical win rates are also affected by other factors, including players' skill and experience, the mix of games played, the financial resources of players, the spread of table limits, the volume of bets played and the amount of time players spent on gambling. These factors, alone or in combination, have the potential to negatively impact the casino's win rates, which may materially and adversely affect the Group's business, cash flow, financial condition, results of operations and prospects;
- (iii) *Risk of fraud or cheating by gaming patrons:* it is possible that players in the casino may commit fraud or attempt to cheat in order to increase winnings, at times in collusion with employees of the casino. Failure to discover such schemes in a timely manner could result in losses in the gaming operations. In addition, negative publicity arising from such schemes could have a material and adverse impact on the Group's reputation, thereby adversely affecting the Company's business, cash flow, financial condition, results of operations and prospects; and
- (iv) *Anti-money laundering policies and compliance with applicable anti-money laundering laws may not be sufficient in preventing the occurrence of money laundering activities at the casino:* the casino gaming industry is prone to potential money laundering and other illegal activities and the casino may not be able to completely prevent money laundering and other illegal activities from occurring within its casino premises.

Specific Risk Factors

- (i) *Possible change of management:* having the right management team is a vital part of gaming operation. Les Ambassadeurs Club is now operated by a team of experienced and well trained management. If there is any change of the management team due to change of shareholder of the Target Company following the Acquisition, the casino business may not be running smoothly and there may be a risk of losing current customers;
- (ii) *Exclusive customers:* given the customer base of the Club consists mainly of ultra high net worth individuals, losing or gaining a slight number of key customers can make a material difference on the gaming turnover. As the amount of bets from individual large customers could be extremely high, there is a greater uncertainty of the winnings of the casino over its customers;
- (iii) *Anti-corruption drive in China and anti-money laundering measures:* due to on-going anti-corruption campaign in China, Chinese customers tend to keep a low profile in order not to be suspected for corruption. Also, there is enhanced due diligence process

due to the increasing global concern on the anti-money laundering issue. Some major customers may not be willing to provide all required personal information for the due diligence process and end up the casino may lose those customers. Since the customer base of the Club is focused on Asian and Middle Eastern market with prestigious and wealthy customers, its gaming turnover may be adversely affected due to the anti-corruption campaign and the anti-money laundering measures;

- (iv) *Unstable politics and social safety in Europe*: the economics and social safety of Europe countries have been recently threatened by various factors, including but the limited to, local political affairs, terrorism and refugee fleeing to Europe. With the growth and development of the casino industry in Asian countries, for example, Korea, Singapore, Malaysia, Philippine, the Asian customers may have concern to visit Europe and prefer to stay in Asia. This possible risk is considered to be a short-term one which will be mitigated when the social problems are less serious;
- (v) *Loss of licences*: it is a requirement to hold an operating licence from the Gambling Commission in respect of each of the licensed activities undertaken by a casino. Additionally, it is necessary to hold premises licences from the relevant local authority in which where it is situated, one for gambling activities and one for the sale of alcohol. These licences are fundamental to the operation of a casino in the UK. Although the duration of the relevant licenses held by Les Ambassadeurs Club is unlimited, it is crucial for Les Ambassadeurs Club to be strictly in compliance with the Gambling Act for maintaining the licences and continuance of casino operation; and
- (vi) *High capital expenditure or maintenance expenses*: Les Ambassadeurs Club is situated in a 19th century classic historical building. It is expected that relatively high capital expenditure or maintenance expenses may be incurred for the renovation of the interior fixtures of the casino and the maintenance of the building.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT

The principal activity of the Company is investment holding and the Group is principally engaged in (i) the design, manufacturing and sale of the light-emitting diode and semiconductor lighting related products; (ii) property development business; (iii) development and operation of the integrated resort; and (iv) gaming business.

The Group has diversified into the gaming business since June 2014. It currently owns and operates the Jeju Casino under its own brand name of “Landing Casino”. As disclosed in the Company’s circular dated 23 September 2015, one of the Group’s business objectives is to establish its own branding and presence in the gaming industry worldwide. Given that the business of the Jeju Casino is self-sustained and operated by a team of professional and experienced management, the Board considers now the right timing to expand and diversify its gaming operations into other markets by investing in a casino with well-defined and recognized brand name such as Les Ambassadeurs Club.

The Acquisition is in line with the business objective of the Group. Taking into account the market position, strengths and uniqueness of Les Ambassadeurs Club as more particularly mentioned in the paragraph headed “Information of the Target Company” above, the Board

considers that the Club represents a unique and good investment opportunity that allows the Company to step up its investment and presence in the gaming industry and to enhance the future earning capability and potential of the Group.

In view of the abovementioned reasons, the Directors consider the entering into of the Sale and Purchase Agreement is on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the relevant percentage ratios applicable to the Company exceeds 100%, the entering into of the Sale and Purchase Agreement constitutes a very substantial acquisition of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. To the best knowledge of the Company, no other Shareholder has a material interest in the Acquisition and therefore no other Shareholder is required to abstain from voting on the proposed resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the SGM as at the date of this announcement.

Shareholders should be aware that under the Guidance Letter, should the Group directly or indirectly be engaged in gambling activities and operation of such gambling activities (i) fail to comply with the applicable laws in the areas where such activities operate and/or (ii) contravene the Gambling Ordinance, the Company or its business may be considered unsuitable for listing under Rule 8.04 of the Listing Rules, the Stock Exchange may direct the Company to take remedial action, and/or may suspend dealings in, or may cancel the listing of, the Shares. In this connection, the Company will comply with all applicable laws and the Listing Rules, including the requirements under the Guidance Letter and will seek proper legal advice thereon. As at the date of this announcement, having reviewed and considered a preliminary legal opinion from the Company's legal adviser in the UK, the Company is satisfied that the Target Company is appropriately licensed to provide facilities for gambling in a land-based casino and has not been found to be in breach of any applicable laws and regulations of the UK. The Company will make further announcement as soon as other legal advice(s) is/are obtained.

CONTROLLING SHAREHOLDER UNDERTAKING

Landing International Limited, the controlling Shareholder of the Company within the meaning of the Listing Rules, believes that the Acquisition is in the interests of the Shareholders and has undertaken to the Company to vote all of its Shares in favour of the Acquisition at the SGM.

GENERAL

The Company will dispatch the circular in accordance with the requirements under the Listing Rules, containing among other things, (i) further information on the Target Company, the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) the financial information of the Target Company; (iii) the unaudited pro forma financial information of the Enlarged Group upon Completion; and (iv) notice of the SGM. As the

Company requires time for compiling the financial information for inclusion in the circular pursuant to the Listing Rules, the circular is expected to be despatched to the Shareholders on or before 4 January 2016.

Shareholders and potential investors should note that completion of the Sale and Purchase Agreement is subject to the fulfillment or waiver (as the case may be) of the conditions contained under the Sale and Purchase Agreement, therefore the Sale and Purchase Agreement may or may not proceed. Accordingly, the Acquisition may or may not materialize and Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 7 December 2015 pending the release of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 11 December 2015 following the publication of this announcement.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares pursuant to the Sale and Purchase Agreement, excluding gaming debts of the Target Company as at the Completion Date
“Actual Completion Debt”	the aggregate of all the debts of the Target Company which remains outstanding as at the Completion Date pursuant to the Sale and Purchase Agreement
“Actual Working Capital”	the aggregate working capital of the Target Company as specified in the Completion Statement, including, among others, the actual cash amount, and excluding (i) any insurance claim receivables and (ii) the gaming debt receivables as at the Completion Date
“associate”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	means a day (other than a Saturday or Sunday or a public holiday) when commercial banks are open for ordinary banking business in England and Wales and Hong Kong and, to the extent any payment is required to be made in United States Dollars, New York
“BVI”	the British Virgin Islands

“BVI Company”	Jolly Champion Holding Limited, a company incorporated in the BVI with limited liability, which is a direct wholly owned subsidiary of the Company and the sole shareholder of the Purchaser
“Club” or “Les Ambassadeurs Club”	the gambling club owned and operated by the Target Company
“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 Acquisition in accordance with the Sale and Purchase Agreement
“Completion Statement”	completion statement of Actual Working Capital as at the Completion Date to be prepared and finalized in accordance with the Sale and Purchase Agreement
“Deposits”	collectively the First Tranche Payment, the Second Tranche Payment and the Third Tranche Payment
“Director(s)”	director(s) of the Company
“Drop”	the amount of money exchanged for chips in a casino
“EBITDA”	earnings before interest, taxes, depreciation, and amortization
“EBITDA multiple”	ratio of enterprise value per EBITDA
“Enlarged Group”	the Group after Completion
“Estimated Completion Debt”	the good faith estimate of the debts of the Target Company which are likely to remain outstanding at Completion to be provided by the Seller to the Purchaser 10 Business Days prior to Completion pursuant to the Sale and Purchase Agreement
“GGY”	Gross Gaming Yield, the amount retained by the Target Company after the payment of winnings but before the deduction of the costs of the operation
“Group”	the Company and its subsidiaries

“Guidance Letter”	the Stock Exchange’s guidance letter HKEx-GL71-14 (January 2014) in relation to “Gambling Activities Undertaken by Listing Applicants and/or Listed Issuers”
“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
“Jeju Casino”	the casino owned and operated by the Group at Hyatt Regency Jeju Hotel
“Korea”	the Republic of Korea
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser” or “United Time”	United Time Corporation Limited, a company incorporated in Hong Kong, which is an indirect wholly owned subsidiary of the Company
“Rolling Turnover”	the volume of business transacted by the aggregate Drops from rolling customers
“Sale Shares”	two ordinary shares of £1 each in the capital of Target Company held by Seller
“Seller” or “Twinwood”	Twinwood Limited, a company incorporated in the UK with limited liability
“Seller Guarantor” or “Bluestream”	Bluestream Holdings Limited, a company incorporated in the BVI with limited liability
“SGM”	the special general meeting of the Company to be held for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder
“Share(s)”	share(s) of HK\$0.1 each in the capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Les Ambassadeurs Club Limited, a company incorporated in England and Wales with limited liability

“UK” the United Kingdom

“%” per cent

“£” Pounds Sterling

In this announcement, save as otherwise stated, figures in £ are translated to HK\$ at the exchange rate of HK\$12 = £1 for illustration purposes only. No representation is made that any amount in HK\$ or £ would have been or can be converted at the above rate.

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

Hong Kong, 10 December 2015

* *Source:* “Regional Gaming” published on 22 September 2015 by CLSA

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