

**LANDING INTERNATIONAL DEVELOPMENT LTD:  
TAKEOVER BID SOURS, BUT  
THE \$HK210-MILLION DEPOSIT HAS NOT BEEN RETURNED**

Landing International Development Ltd () (Code: 582, Main Board, The Stock Exchange of Hongkong Ltd) has sued a Mr Yuan Qian Zhen () for \$HK210 million.

In Action Number 537 of 2016, lodged in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), Landing International Development has alleged that the last-known address of the Defendant is in the PRC, proper, being separate and distinct from the HKSAR of the PRC, at:

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It is alleged, at Paragraph Two of the Statement of Claim, attached to Writ of Summons, Number 537, that the Defendant *'is the ultimate beneficial owner of all of the issued shares of Landwa International Holdings (Hong Kong) Ltd ([]), a limited liability company incorporated in Hong Kong.'*

The Defendant is, in addition, the *'sole shareholder'* of Landwa Development and Investment Ltd (), also a limited liability company, incorporated in the HKSAR, it is alleged at Paragraph Three of the Statement of Claim.

Then, at Paragraph Four, it is alleged:

*'By a Memorandum of Understanding in writing dated 5 February 2015 ("MOU"), the Plaintiff, the Vendor (Landwa International Holdings [Hongkong] Ltd) and the Defendant (Mr Yuan Qian Zhen) ("Parties") agreed to proceed with the negotiation of a formal agreement for the sale and purchase of the entire issued share capital of the Target Company – Landwa Development and Investment Ltd – (Formal Agreement) pursuant to the terms set out under the MOU.'*

At Paragraph Five of the Statement of Claim, some of the terms and conditions of the MOU are spelled out in brief:

*'5.1. By the 2nd paragraph under clause 3 ("Clause 3(2)"), upon the Parties signing the MOU and subject to the Vendor duly executing the share charge set out in Schedule 1 of the MOU ("Share Charge"), the Plaintiff shall pay a refundable deposit of HK\$210,000,000 ("Deposit") to the Vendor or its nominee.'*

*'5.2. By the 3rd paragraph under clause 3 ("Clause 3(3)"), upon expiry of the MOU and if the Formal Agreement is not proceeded, the Vendor shall forthwith refund the Deposit without interest to the Plaintiff.'*

**Expiration of the MOU**

*'5.3. By the 1st paragraph under clause 9 ("Clause 9(1)"), the MOU will remain in effect for six months after the signing date of the MOU, or such longer period as the parties may mutually agree to in writing, unless the Plaintiff gives a written notice to the*

*Vendor of its intention to abandon further negotiation, or until superseded by the execution of the Formal Agreement, whichever is earlier.*

**Surety provided by the Defendant**

- ‘5.4. By the 3rd paragraph under clause 9 (“**Clause 9(3)**”), the Defendant guarantees to the Plaintiff, unconditionally and irrevocably, as principal obligor and not merely as surety for payment or collection or otherwise, the due, full, punctual and complete repayment by the Vendor of the Deposit in accordance with the terms of the MOU.
- ‘5.5. Further by Clause 9(3), the Defendant undertakes that she will indemnify and keep indemnified the Plaintiff on a full indemnity basis at a ceiling amount equivalent to the Deposit in respect of any loss, damage, costs, expenses and claims the Plaintiff may have suffered or incurred by reason of or in consequence of any such failure of the Vendor and the Defendant to carry out any such guaranteed obligations.

**Binding effect of the MOU**

- ‘5.6. By clause 8, the Parties agree that clauses 2, 3, 6, 8, 9 and 10 of the MOU shall be binding and enforceable.’

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