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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

The board of directors (the “**Directors**”) (the “**Board**”) of Landing International Development Limited (the “**Company**”) hereby presents the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2015 together with the comparative figures for the corresponding period in 2014. The unaudited interim financial information have been reviewed by the Company’s auditor, Zenith CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). The audit committee of the Company (the “**Audit Committee**”) has reviewed and discussed with the management of the Company and the Company’s auditor the unaudited interim financial information of the Group for the six months ended 30 June 2015.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended 30 June 2015

| | Notes | For the six months ended | |
|--|-------|---------------------------------|---------------------------------|
| | | 2015 HK\$'000 (Unaudited) | 2014 HK\$'000 (Unaudited) |
| Revenue | 5 | 109,234 | 95,682 |
| Cost of sales | | (89,023) | (68,112) |
| Gross profit | | 20,211 | 27,570 |
| Other income and gains | | 6,196 | 30,382 |
| Distribution and selling expenses | | (8,223) | (6,618) |
| Administrative expenses | | (156,579) | (120,753) |
| Impairment of trade and other receivables, net | | (528) | (6,195) |
| Impairment of goodwill | 11 | (16,135) | (25,700) |
| Gain on disposal of subsidiaries | 23 | 110 | – |
| Finance costs | 6 | (43,896) | (7,271) |
| Share of profits and losses of: | | | |
| Joint ventures | | 24,462 | – |
| Associate | | – | – |
| LOSS BEFORE TAX | 7 | (174,382) | (108,585) |
| Income tax credit/(expense) | 8 | 998 | (3,242) |
| LOSS FOR THE PERIOD | | <u>(173,384)</u> | <u>(111,827)</u> |
| Attributable to: | | | |
| Equity holders of the parent | | (143,906) | (129,721) |
| Non-controlling interests | | (29,478) | 17,894 |
| | | <u>(173,384)</u> | <u>(111,827)</u> |
| LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | 9 | | |
| Basic and diluted: | | | (Restated) |
| For loss for the period | | <u>HK(7.7) cents</u> | <u>HK(7.6) cents</u> |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2015

| | For the six months ended 30 June | |
|---|-------------------------------------|-------------------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| LOSS FOR THE PERIOD | <u>(173,384)</u> | <u>(111,827)</u> |
| OTHER COMPREHENSIVE INCOME | | |
| Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent period: | | |
| Changes in fair value of available-for-sale investments | 500,390 | – |
| Exchange differences on translation of foreign operations | (38,124) | 90,628 |
| Share of other comprehensive loss of: | | |
| Joint ventures | (8,666) | – |
| Associate | – | – |
| OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX | <u>453,600</u> | <u>90,628</u> |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD | <u>280,216</u> | <u>(21,199)</u> |
| Profit/(loss) attributable to: | | |
| Equity holders of the parent | 322,011 | (67,077) |
| Non-controlling interests | (41,795) | 45,878 |
| | <u>280,216</u> | <u>(21,199)</u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

| | | 30 June 2015 <i>HK\$'000</i> (Unaudited) | 31 December 2014 <i>HK\$'000</i> (Audited) |
|--|--------------|---|---|
| | <i>Notes</i> | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | <i>10</i> | 1,314,543 | 1,192,028 |
| Prepaid lease payments | | 15,304 | 15,494 |
| Goodwill | <i>11</i> | – | 16,135 |
| Intangible assets | <i>12</i> | 53,095 | 57,176 |
| Investments in joint ventures | <i>13</i> | 892,229 | 876,132 |
| Investment in an associate | <i>14</i> | – | – |
| Available-for-sale investments | <i>15</i> | 968,190 | – |
| | | 3,243,361 | 2,156,965 |
| CURRENT ASSETS | | | |
| Inventories | | 61,505 | 61,631 |
| Properties under development | | 1,684,196 | 1,578,803 |
| Trade and other receivables | <i>16</i> | 720,690 | 427,229 |
| Tax recoverable | | 5,142 | 2,284 |
| Restricted cash | | 19,314 | 10,658 |
| Cash and bank balances | | 6,386,626 | 1,655,667 |
| | | 8,877,473 | 3,736,272 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | <i>17</i> | 5,602,345 | 389,614 |
| Deferred revenue | | – | 84 |
| Interest-bearing bank and other borrowings | <i>18</i> | 853,206 | 89,676 |
| Finance lease payables | | 66,091 | 66,091 |
| | | 6,521,642 | 545,465 |
| NET CURRENT ASSETS | | 2,355,831 | 3,190,807 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 5,599,192 | 5,347,772 |

| | | 30 June 2015 | 31 December 2014 |
|--|--------------|-------------------------|---------------------|
| | | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | <i>Notes</i> | (Unaudited) | (Audited) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 5,599,192 | 5,347,772 |
| NON-CURRENT LIABILITIES | | | |
| Other payable | | 3,244 | – |
| Due to a non-controlling interest | | 600,898 | 598,826 |
| Deferred tax liabilities | | 5,243 | 6,280 |
| Finance lease payables | | 198,505 | 231,580 |
| Total non-current liabilities | | 807,890 | 836,686 |
| Net assets | | 4,791,302 | 4,511,086 |
| EQUITY | | | |
| Share capital | <i>19</i> | 186,963 | 186,963 |
| Reserves | | 4,046,180 | 3,724,169 |
| Equity attributable to owners of the parent | | 4,233,143 | 3,911,132 |
| Non-controlling interests | | 558,159 | 599,954 |
| Total equity | | 4,791,302 | 4,511,086 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2015

| | Attributable to owners of the parent | | | | | | | | | | | |
|---|--------------------------------------|---------------------------|--|---------------------------------|---|---|--|--|--------------------------------|-------------------|---------------------------------------|--------------------------|
| | Share capital HK\$'000 | Share premium HK\$'000 | Contributed surplus HK\$'000 <i>(note a)</i> | Translation reserve HK\$'000 | Available-for-sale investment reserve HK\$'000 | Non-cash share option reserve HK\$'000 | Non-distributable reserve HK\$'000 <i>(note b)</i> | Other reserve HK\$'000 <i>(note c)</i> | Accumulated losses HK\$'000 | Total HK\$'000 | Non-controlling interests HK\$'000 | Total equity HK\$'000 |
| At 1 January 2015 (audited) | 186,963 | 4,015,101* | 171,902* | (6,545)* | –* | 3,974* | 2,552* | 7,253* | (470,068)* | 3,911,132 | 599,954 | 4,511,086 |
| Loss for the period | – | – | – | – | – | – | – | – | (143,906) | (143,906) | (29,478) | (173,384) |
| Other comprehensive income/(loss) for the period: | | | | | | | | | | | | |
| Change in fair value of available-for-sale investments, net of tax | – | – | – | – | 500,390 | – | – | – | – | 500,390 | – | 500,390 |
| Exchange differences on translation of foreign operation | – | – | – | (25,807) | – | – | – | – | – | (25,807) | (12,317) | (38,124) |
| Share of other comprehensive loss of: | | | | | | | | | | | | |
| Joint ventures | – | – | – | (8,666) | – | – | – | – | – | (8,666) | – | (8,666) |
| Associate | – | – | – | – | – | – | – | – | – | – | – | – |
| Total comprehensive income/(loss) for the period | – | – | – | (34,473) | 500,390 | – | – | – | (143,906) | 322,011 | (41,795) | 280,216 |
| Transfer of share option reserve upon cancellation of share options | – | – | – | – | – | (3,974) | – | – | 3,974 | – | – | – |
| At 30 June 2015 (unaudited) | <u>186,963</u> | <u>4,015,101*</u> | <u>171,902*</u> | <u>(41,018)*</u> | <u>500,390*</u> | <u>–*</u> | <u>2,552*</u> | <u>7,253*</u> | <u>(610,000)*</u> | <u>4,233,143</u> | <u>558,159</u> | <u>4,791,302</u> |
| At 1 January 2014 (audited) | 94,443 | 650,033 | 171,902 | 25,945 | – | – | 2,552 | – | (176,391) | 768,484 | 73,022 | 841,506 |
| Loss for the period | – | – | – | – | – | – | – | – | (129,721) | (129,721) | 17,894 | (111,827) |
| Other comprehensive income for the period: | | | | | | | | | | | | |
| Exchange differences on translation of foreign operation | – | – | – | 62,644 | – | – | – | – | – | 62,644 | 27,984 | 90,628 |
| Total comprehensive income/(loss) for the period | – | – | – | 62,644 | – | – | – | – | (129,721) | (67,077) | 45,878 | (21,199) |
| Deemed disposal of partial interests in a subsidiary | – | – | – | – | – | – | – | 6,851 | – | 6,851 | 590,598 | 597,449 |
| Issue of ordinary shares by rights issue | 47,221 | 1,369,419 | – | – | – | – | – | – | – | 1,416,640 | – | 1,416,640 |
| Direct expenses in relation of rights issue | – | (14,374) | – | – | – | – | – | – | – | (14,374) | – | (14,374) |
| Issue of ordinary shares by share subscriptions | 25,700 | 991,300 | – | – | – | – | – | – | – | 1,017,000 | – | 1,017,000 |
| Issue of ordinary shares in relation to acquisition of a subsidiary | 14,599 | 773,723 | – | – | – | – | – | – | – | 788,322 | – | 788,322 |
| At 30 June 2014 (unaudited) | <u>181,963</u> | <u>3,770,101</u> | <u>171,902</u> | <u>88,589</u> | <u>–</u> | <u>–</u> | <u>2,552</u> | <u>6,851</u> | <u>(306,112)</u> | <u>3,915,846</u> | <u>709,498</u> | <u>4,625,344</u> |

* The consolidated reserves of approximately HK\$4,046,180,000 (31 December 2014: HK\$3,724,169,000) in the condensed consolidated statement of financial position comprises these reserve accounts.

Notes:

- (a) The contributed surplus of the Company represents the credit arising from a capital reduction of the Company and the contributed surplus will be used to offset accumulated losses of the Company. Any credit standing in the contributed surplus account of the Company will be used in any manner permitted by laws of Bermuda and the bye-laws of the Company.
- (b) The non-distributable reserve of the Group mainly represents statutory reserve requirement that the foreign investment enterprises appropriated 10% of the profit after taxation of the subsidiaries of the Company registered in the People's Republic of China (the "PRC") other than Hong Kong to the non-distributable reserve under the PRC laws and regulations until the transferred amount met 50% of the registered capital of these PRC subsidiaries.
- (c) The other reserve represents the difference between the fair value of the consideration received from share subscription of Landing Jeju Development Co., Ltd. and the carrying amount of the net assets attributable to the partial disposal of 50% of its equity interest.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 June 2015

| | For the six months ended 30 June | |
|---|---|-------------------------|
| | 2015 | 2014 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (Unaudited) | (Unaudited) |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Cash generated (used in)/from operations | (521,116) | 239 |
| Interest received | 5,037 | 3,558 |
| Income tax paid | (2,890) | (2,772) |
| | <u>(518,969)</u> | <u>1,025</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of items of property, plant and equipment | (152,092) | (144,343) |
| Purchase of available-for-sale investments | (467,800) | – |
| Disposal of subsidiaries, net of cash disposed of | (889) | – |
| Proceeds from disposal of items of property, plant and equipment | 90 | – |
| Deposit paid for acquisition of land | – | (907,155) |
| Acquisition of assets and liabilities | – | (226,329) |
| | <u>(620,691)</u> | <u>(1,277,827)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Deposit received for rights issue | 5,186,580 | – |
| Interests paid | (14,556) | (15,547) |
| New bank and other borrowings | 774,000 | 50,493 |
| Repayment of bank and other borrowings | (1,263) | (56,833) |
| Loan from the ultimate holding company | – | 223,991 |
| Repayment of loan from the ultimate holding company | – | (594,000) |
| Capital element on finance lease rental payment | (33,075) | – |
| Interest element on finance lease rental payment | (8,690) | – |
| Loan from non-controlling interests | – | 606,523 |
| Capital injection from non-controlling interests | – | 597,449 |
| Payment for transaction costs attributable to issue of new ordinary shares | – | (14,374) |
| Proceeds from issue of shares | – | 2,433,640 |
| | <u>5,902,996</u> | <u>3,231,342</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | |
| Cash and cash equivalents at beginning of the period | 1,655,667 | 265,956 |
| Effect of foreign exchange rate changes, net | (32,377) | 64,178 |
| | <u>6,386,626</u> | <u>2,284,674</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD AND REPRESENTED BY CASH AND BANK BALANCES | | |
| | <u><u>6,386,626</u></u> | <u><u>2,284,674</u></u> |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Six months ended 30 June 2015

1. CORPORATE INFORMATION

Landing International Development Limited, is a limited liability company incorporated in the Cayman Islands and continued in Bermuda, and its shares are listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

During the period, the Group was principally engaged in design, manufacturing and sales of the light-emitting diode (“**LED**”) and semiconductor lighting related products (the “**Lighting Business**”); property development (the “**Property Development**”); development and operation of the integrated resort (the “**Integrated Resort Development**”); and casino business (the “**Casino Business**”).

2. BASIS OF PREPARATION AND PRESENTATION

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the HKICPA and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2014.

The accounting policies and the basis of preparation adopted in the preparation of these condensed consolidated financial statements are consistent with those adopted in the Group’s annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which also include HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance, except for the adoption of the revised HKFRSs as disclosed in note 3 below.

These condensed consolidated financial statements have been prepared under the historical cost convention, except for certain of financial instruments, which have been measured at fair value. These condensed financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

In the preparation of the Group’s condensed consolidated financial statements for the period ended 30 June 2015, the Directors of the Company have given careful consideration to the future liquidity of the Group in light of (i) the Group incurred a loss attributable to equity holders of the parent of approximately HK\$143,906,000 for the period ended 30 June 2015; and (ii) as at 30 June 2015, the Group has capital commitments of approximately HK\$954,577,000, interest-bearing bank and other borrowings of approximately HK\$853,206,000, amount due to a non-controlling interest of approximately HK\$600,898,000 and finance lease payables of approximately HK\$264,596,000. Based on the cash flow projections prepared by the management with reference to the current business and financing plans of the Group, the Directors consider the Group will be able to finance its future working capital and fulfill its financial obligations as and when they fall due in the foreseeable future.

Accordingly, the condensed consolidated financial statements have been prepared on the going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in these condensed consolidated financial statements.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current period's condensed consolidated financial statements:

| | |
|--|--|
| Amendments to HKAS 19 | <i>Defined Benefit Plans: Employee Contributions</i> |
| <i>Annual Improvements 2010–2012 Cycle</i> | Amendments to a number of HKFRSs |
| <i>Annual Improvements 2011–2013 Cycle</i> | Amendments to a number of HKFRSs |

Other than as further explained below, the adoption of these revised HKFRSs has had no significant financial effect on these condensed consolidated financial statements and there have been no significant changes to the accounting policies applied in these condensed consolidated financial statements.

The *Annual Improvements to HKFRSs 2010–2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. These amendments do not have any significant financial impact on the Group. Details of the amendment most applicable to the Group are as follows:

HKFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgments made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker.

4. IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not early adopted the new and revised HKFRSs that have been issued, but are not yet effective in these condensed consolidated financial statements.

5. SEGMENT INFORMATION

For management purpose, the Group currently has four reportable operating segments that operate different business activities. They are managed separately and providing different products or services which require different marketing strategies.

The segmentations are based on the internal reporting information about the operations of the Group that the management reviews regularly to make decisions on allocation of resources between segments and to assess segment performance.

The principal activities of each reportable segment are as follows:

- (a) Lighting Business;
- (b) Property Development;
- (c) Integrated Resort Development; and
- (d) Casino Business.

The following table presents revenue and results information about the Group's operating segments for the six months ended 30 June 2015 and 2014, respectively:

For the six months ended 30 June 2015

| | Lighting Business <i>HK\$'000</i> (Unaudited) | Property Development <i>HK\$'000</i> (Unaudited) | Integrated Resort Development <i>HK\$'000</i> (Unaudited) | Casino Business <i>HK\$'000</i> (Unaudited) | Total <i>HK\$'000</i> (Unaudited) |
|--|--|---|---|--|---|
| Revenue — external sales | <u>109,234</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>109,234</u> |
| Segment results | <u>(19,760)</u> | <u>(5,495)</u> | <u>(61,155)</u> | <u>—</u> | <u>(86,410)</u> |
| Interest income | | | | | 5,037 |
| Gain on disposal of subsidiaries | | | | | 110 |
| Unallocated corporate income | | | | | 1,300 |
| Unallocated corporate expenses | | | | | (74,985) |
| Finance costs | | | | | (43,896) |
| Share of profits and losses of: Joint ventures | | | | | 24,462 |
| Associate | | | | | <u>—</u> |
| Loss before tax | | | | | <u><u>(174,382)</u></u> |

For the six months ended 30 June 2014

| | Lighting Business <i>HK\$'000</i> (Unaudited) | Property Development <i>HK\$'000</i> (Unaudited) | Integrated Resort Development <i>HK\$'000</i> (Unaudited) | Casino Business <i>HK\$'000</i> (Unaudited) | Total <i>HK\$'000</i> (Unaudited) |
|-----------------------------------|--|---|---|--|---|
| Revenue — external sales | <u>89,254</u> | <u>—</u> | <u>—</u> | <u>6,428</u> | <u>95,682</u> |
| Segment results | <u>(32,603)</u> | <u>(12,881)</u> | <u>(8,009)</u> | <u>3,317</u> | <u>(50,176)</u> |
| Interest income | | | | | 3,558 |
| Unallocated corporate income | | | | | 138 |
| Unallocated corporate expenses | | | | | (54,834) |
| Finance costs | | | | | <u>(7,271)</u> |
| Loss before tax | | | | | <u><u>(108,585)</u></u> |

The following table presents segment assets and liabilities of the Group's operating segments as at 30 June 2015 and 31 December 2014:

| | Lighting Business <i>HK\$'000</i> | Property Development <i>HK\$'000</i> | Integrated Resort Development <i>HK\$'000</i> | Casino Business <i>HK\$'000</i> | Corporate and other unallocated <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|---------------------------------|---|--|--|---------------------------------------|--|--------------------------|
| Operating assets | | | | | | |
| 30 June 2015 (unaudited) | <u>380,794</u> | <u>1,029,877</u> | <u>1,360,084</u> | <u>–</u> | <u>9,350,079</u> | <u>12,120,834</u> |
| 31 December 2014 (audited) | <u>393,637</u> | <u>924,573</u> | <u>1,277,592</u> | <u>–</u> | <u>3,297,435</u> | <u>5,893,237</u> |
| Operating liabilities | | | | | | |
| 30 June 2015 (unaudited) | <u>99,366</u> | <u>224,417</u> | <u>78,078</u> | <u>–</u> | <u>6,927,671</u> | <u>7,329,532</u> |
| 31 December 2014 (audited) | <u>92,614</u> | <u>147,954</u> | <u>126,629</u> | <u>–</u> | <u>1,014,954</u> | <u>1,382,151</u> |

GEOGRAPHICAL INFORMATION

(a) Revenue from external customers

| | For the six months ended 30 June | |
|-----------------|--|--|
| | 2015 <i>HK\$'000</i> (Unaudited) | 2014 <i>HK\$'000</i> (Unaudited) |
| Mainland China | 78,221 | 44,343 |
| Other countries | <u>31,013</u> | <u>51,339</u> |
| | <u>109,234</u> | <u>95,682</u> |

The revenue information above is based on the locations of the customers.

(b) Non-current assets

| | 30 June 2015 <i>HK\$'000</i> (Unaudited) | 31 December 2014 <i>HK\$'000</i> (Audited) |
|----------------|---|---|
| Hong Kong | 425,574 | 439,157 |
| Mainland China | 151,564 | 154,194 |
| South Korea | <u>752,709</u> | <u>614,171</u> |
| | <u>1,329,847</u> | <u>1,207,522</u> |

The non-current assets information above is based on the locations of the assets and excludes goodwill, available-for-sale investments, intangible assets, investments in joint ventures and an associate.

INFORMATION ABOUT MAJOR CUSTOMERS

During the six months ended 30 June 2015 and 2014, there was no single external customer that has contributed over 10% of the Group's total revenue.

6. FINANCE COSTS

| | For the six months ended 30 June | |
|---|-------------------------------------|---------------------------------|
| | 2015 HK\$'000 (Unaudited) | 2014 HK\$'000 (Unaudited) |
| Interest on bank and other borrowings | 49,108 | 23,581 |
| Interest on finance lease | 8,690 | – |
| Total interest expense on financial liabilities not at fair value through profit or loss | 57,798 | 23,581 |
| Less: Interest capitalised | (13,902) | (16,310) |
| | <u>43,896</u> | <u>7,271</u> |

7. LOSS BEFORE TAX

| | For the six months ended 30 June | |
|---|-------------------------------------|---------------------------------|
| | 2015 HK\$'000 (Unaudited) | 2014 HK\$'000 (Unaudited) |
| Loss before tax is arrived at after charging/(crediting): | | |
| Amortisation of intangible assets | 4,167 | 5,079 |
| Amortisation of prepaid lease payment | 190 | 155 |
| Depreciation | 25,686 | 10,010 |
| Foreign exchange differences, net | 4,627 | (25,200) |
| Loss on disposal of items of property, plant and equipment | 176 | – |
| Minimum lease payments under operating leases of land and buildings | 6,070 | 7,753 |
| Write-down of inventories to net realisable value | 1,015 | 484 |
| Bank interest income | (5,037) | (3,558) |
| Employee benefits expenses (including Directors' remuneration): | | |
| Wages and salaries | 79,701 | 26,765 |
| Pension scheme contributions | 2,738 | 596 |
| Less: Amount capitalised | (21,481) | (911) |
| | <u>60,958</u> | <u>26,450</u> |

8. INCOME TAX (CREDIT)/EXPENSE

No provision for Hong Kong profits tax has been made as the Group did not generate assessable profits arising in Hong Kong during the six months ended 30 June 2015 and 2014. Taxes on profits assessable elsewhere have been calculated at the tax rates prevailing in the countries in which the Group operates.

| | For the six months ended 30 June | |
|---|-------------------------------------|---------------------------------|
| | 2015 HK\$'000 (Unaudited) | 2014 HK\$'000 (Unaudited) |
| Current tax — Mainland China | 32 | 899 |
| Deferred tax (credit)/charge | <u>(1,030)</u> | <u>2,343</u> |
| Total tax (credit)/expense for the period | <u><u>(998)</u></u> | <u><u>3,242</u></u> |

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic and diluted loss per share are based on:

| | For the six months ended 30 June | |
|---|-------------------------------------|---|
| | 2015 HK\$'000 (Unaudited) | 2014 HK\$'000 (Unaudited) (restated) |
| Loss attributable to equity holder of the parent, used in the basic and diluted loss per share calculation: | (143,906) | (129,721) |
| Number of shares | '000 | '000 |
| Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation (six months ended 30 June 2014: adjusted for the share consolidation which was completed on 16 June 2015) | <u><u>1,869,625</u></u> | <u><u>1,719,196</u></u> |

For the six months ended 30 June 2015 and 2014, diluted earnings per share equals basic earning per share as there was no dilutive potential share.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, the Group acquired assets with total cost of approximately HK\$152,092,000 (six months ended 30 June 2014: HK\$144,343,000 excluding items acquired through acquisition of subsidiaries).

During the six months ended 30 June 2015, the Group disposed of its certain property, plant and equipment with a carrying amount of approximately HK\$266,000, loss on disposal of approximately HK\$176,000 was recognised during the period.

11. GOODWILL

Goodwill of approximately HK\$203,392,000 was related to the acquisition of Ace Winner Holdings Limited (“**Ace Winner**”) and its subsidiaries in March 2011. Ace Winner is an investment holding company with an indirect 69.44% equity interest, held through its wholly-owned subsidiary, China Opto Investments Limited, in the issued share capital of Jiangsu Wenrun Optoelectronic Co., Ltd. which is principally engaged in the Lighting Business. Goodwill of approximately HK\$203,392,000 was allocated to the cash-generating unit (the “**CGU**”) for the Lighting Business upon completion of the acquisition. During the period, the goodwill was fully impaired with impairment of HK\$16,135,000 being recognised (six months ended 30 June 2014: HK\$25,700,000). As a result of the continuing non-performance as well as the decrease in expected revenue growth and expected future market growth with reference to the performance of the Lighting Business in the period, the recoverable amount of the CGU of the Lighting Business was lower than the carrying amount of the relevant goodwill, and accordingly, in the opinion of the Directors, a full impairment against the goodwill was charged to the consolidated statement of profit or loss during the period.

The carrying amount at goodwill allocated to the CGU is as follows:

| | 30 June 2015 HK\$'000 (Unaudited) | 31 December 2014 HK\$'000 (Audited) |
|-----------------------------------|--|--|
| Cost | | |
| At beginning of the period/year | <u>203,392</u> | <u>203,392</u> |
| Accumulated impairment | | |
| At beginning of the period/year | 187,257 | 128,257 |
| Impairment during the period/year | <u>16,135</u> | <u>59,000</u> |
| | <u>203,392</u> | <u>187,257</u> |
| Net carrying amount | | |
| At end of the period/year | <u>–</u> | <u>16,135</u> |

As at 30 June 2015, the recoverable amount of the CGU was determined by income-based approach adopted by Roma Appraisals Limited (the “**Valuer**”), an independent qualified valuer, based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management of the Company.

In the process of the valuation, the Valuer had taken into account of the uniqueness of the business operation and the LED industry in which the Lighting Business is participating. The income-based approach had been adopted rather than market-based approach or asset-based approach since the income-based approach could better reflect the market value of the Lighting Business without omitting most of the important assumptions.

12. INTANGIBLE ASSETS

As at 30 June 2015, the balance of intangible assets represented the patents and trademarks acquired in 2011 by acquisition of a subsidiary for the design and manufacturing of LED in Mainland China.

13. INVESTMENTS IN JOINT VENTURES

| | 30 June 2015 | 31 December 2014 |
|------------------------|-------------------------|---------------------|
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Audited) |
| Share of net assets | 15,796 | – |
| Loan to joint ventures | 876,433 | 876,132 |
| | 892,229 | 876,132 |

The loan to joint ventures is unsecured, interest-free and has no fixed terms of repayment. In the opinion of the Directors, this loan is considered as part of the Group's net investments in joint ventures.

Particulars of the Group's joint ventures are as follows:

| Name | Particulars of issued shares | Place of registration and business | Percentage of | | | Principal activities | |
|---|------------------------------|---|--------------------|----------|--------------|----------------------|--------------------|
| | | | Ownership interest | | Voting power | | Profit sharing |
| | | | Direct | Indirect | | | |
| Magical Gains Holdings Limited (“ Magical Gains ”) | 200 ordinary shares | British Virgin Island (“ BVI ”)/ Hong Kong | 50 | – | 50 | 50 | Investment holding |
| Golden House Ventures Limited (“ Golden House ”)* | 2 ordinary shares | BVI/Hong Kong | – | 50 | 50 | 50 | Marketing |
| Ultra Matrix International Limited | 50,000 ordinary shares | BVI/Hong Kong | – | 50 | 50 | 50 | Investment holding |
| Grand Express Holdings Limited | 1 ordinary share | Hong Kong/ Hong Kong | – | 50 | 50 | 50 | Investment holding |
| Grand Express Korea Company Limited | 5,435,379 ordinary shares | South Korea/ South Korea | – | 50 | 50 | 50 | Casino business |

* Golden House was newly incorporated during the six months ended 30 June 2015.

Magical Gains is directly held by the Company and all other joint ventures as disclosed above are wholly-owned by Magical Gains.

Magical Gains and its subsidiaries (“**Magical Gains Group**”) carry out Casino Business in South Korea and they are considered material joint ventures of the Group, and their results are accounted for using the equity method.

14. INVESTMENT IN AN ASSOCIATE

| | 30 June 2015 | 31 December 2014 |
|---------------------|-------------------------|---------------------|
| | HK\$'000 | HK\$'000 |
| Share of net assets | – | – |

Particulars of the Group's associate are as follows:

| Name | Particulars of issued shares | Place of registration and business | Percentage of | | | Principal activity |
|--|------------------------------|------------------------------------|--------------------|--------------|----------------|--------------------|
| | | | Ownership interest | Voting power | Profit sharing | |
| Autumnglow PTE Limited ("Autumnglow") | 2 ordinary shares | Singapore/Singapore | 50 | 50 | 50 | Inactive |

The Group's shareholding in the associate is held through a wholly-owned subsidiary of the Company.

Autumnglow is inactive and is accounted for using the equity method.

15. AVAILABLE-FOR-SALE INVESTMENTS

| | 30 June 2015 HK\$'000 (Unaudited) |
|--|--|
| Listed equity investments, at fair value | 968,190 |

During the period, the net gain in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to approximately HK\$500,390,000.

16. TRADE AND OTHER RECEIVABLES

| | 30 June 2015 HK\$'000 (Unaudited) | 31 December 2014 HK\$'000 (Audited) |
|---|--|--|
| Trade receivables from third parties | 134,155 | 125,265 |
| Impairment | (35,287) | (33,223) |
| | 98,868 | 92,042 |
| Prepayments, deposits and other receivables | 621,822 | 335,187 |
| Total trade and other receivables | 720,690 | 427,229 |

The Group allows credit periods ranged from 30 days to 90 days to its trade customers. The following is an aging analysis of trade receivables net of impairment presented based on the invoice date at the end of the reporting period:

| | 30 June 2015 HK\$'000 (Unaudited) | 31 December 2014 HK\$'000 (Audited) |
|--------------|--|--|
| 0-30 days | 26,125 | 24,035 |
| 31-60 days | 19,824 | 16,746 |
| 61-90 days | 14,647 | 14,707 |
| Over 90 days | 38,272 | 36,554 |
| | 98,868 | 92,042 |

17. TRADE AND OTHER PAYABLES

| | 30 June 2015 HK\$'000 (Unaudited) | 31 December 2014 HK\$'000 (Audited) |
|--|--|--|
| Trade payables to third parties | 87,588 | 110,973 |
| Accruals, deposits received and other payables | 328,177 | 278,641 |
| Deposit received for rights issue | 5,186,580 | – |
| | <u>5,602,345</u> | <u>389,614</u> |

The following is an aging analysis of trade payables presented based on invoice date at the end of the reporting period:

| | 30 June 2015 HK\$'000 (Unaudited) | 31 December 2014 HK\$'000 (Audited) |
|--------------|--|--|
| 0–30 days | 38,587 | 71,313 |
| 31–60 days | 13,883 | 12,460 |
| 61–90 days | 11,457 | 9,393 |
| Over 90 days | 23,661 | 17,807 |
| | <u>87,588</u> | <u>110,973</u> |

18. INTEREST-BEARING BANK AND OTHER BORROWINGS

| | 30 June 2015 HK\$'000 (Unaudited) | 31 December 2014 HK\$'000 (Audited) |
|--|--|--|
| Within one year: | | |
| Bank loans, secured (<i>note i</i>) | 88,555 | 89,676 |
| Senior note, secured (<i>note ii</i>) | 764,651 | – |
| | <u>853,206</u> | <u>89,676</u> |
| Carrying amount repayable on demand or within one year | <u>853,206</u> | <u>89,676</u> |

Notes:

- (i) Secured by the Group's property, plant and equipment, prepaid lease payments and intangible assets with the effective interest rates ranged from 5.8% to 6.6% per annum (31 December 2014: 5.8% to 6.9%). All bank loans are denominated in Renminbi.
- (ii) Secured by pledged shares of a wholly-owned subsidiary of the Company with the effective interest rate of 10.3% per annum. The senior note is denominated in United States dollar.

19. SHARE CAPITAL

| | Number of shares '000 | Total value HK\$'000 |
|--|-----------------------------|----------------------------|
| Authorised: | | |
| At 1 January 2014, 31 December 2014 and 1 January 2015 | 50,000,000 | 500,000 |
| Share consolidation (<i>note d</i>) | (45,000,000) | – |
| Increase in authorised shares (<i>note e</i>) | 95,000,000 | 9,500,000 |
| | <u>100,000,000</u> | <u>10,000,000</u> |
| Issued and fully paid: | | |
| At 1 January 2014 | 9,444,267 | 94,443 |
| Issue of ordinary shares by rights issue (<i>note a</i>) | 4,722,133 | 47,221 |
| Issue of ordinary shares by share subscriptions (<i>note b</i>) | 3,070,000 | 30,700 |
| Issue of ordinary shares in relation to acquisition of a subsidiary (<i>note c</i>) | 1,459,854 | 14,599 |
| | <u>18,696,254</u> | <u>186,963</u> |
| At 31 December 2014 and 31 January 2015 | 18,696,254 | 186,963 |
| Share consolidation (<i>note d</i>) | (16,826,628) | – |
| | <u>1,869,626</u> | <u>186,963</u> |

Notes:

(a) On 4 February 2014, the Company completed the rights issue on the basis of one rights share for every two shares held on the record date. Approximately 4,722,133,000 shares were issued at a subscription price of HK\$0.30 per rights share with gross proceeds of approximately HK\$1,416,640,000, of which approximately HK\$47,221,000 was credited to share capital and approximately \$1,369,419,000 was debited to the share premium account. Details of which were set out in the Company's announcements dated 20 December 2013, 23 December 2013 and 30 January 2014.

(b) On 1 April 2014, the Company completed the subscription of 810,000,000 ordinary shares of the Company at the price of HK\$0.30 per subscription share to a subscriber. On the same date, the Company completed the subscriptions of 160,000,000 and 400,000,000 ordinary shares of the Company at the price of HK\$0.40 per subscription share to another two subscribers respectively. Details of which were set out in the Company's announcement dated 1 April 2014.

On 11 April 2014, the Company completed the subscription of 500,000,000 ordinary shares of the Company at the price of HK\$0.40 per subscription share to a subscriber. Details of which were set out in the Company's announcement dated 11 April 2014.

On 17 June 2014, the Company completed the subscription of 700,000,000 ordinary shares of the Company at the price of HK\$0.50 per subscription share to a subscriber. Details of which were set out in the Company's announcement dated 17 June 2014.

On 8 July 2014, the Company completed the subscription of 500,000,000 ordinary shares of the Company at the price of HK\$0.50 per subscription share to a subscriber. Details of which were set out in the Company's announcement dated 8 July 2014.

- (c) On 16 June 2014, the completion of the acquisition of the entire equity interest of Ultra Matrix International Limited and together with its subsidiaries (“**Ultra Matrix Group**”) with an aggregate consideration of approximately HK\$875,913,000 was taken place. Upon such completion, approximately 1,459,854,000 ordinary shares of the Company with par value of HK\$0.01 each were issued as the full payment of the consideration for the acquisition. The fair value of the 1,459,854,014 ordinary shares of the Company, determined using the closing market price of HK\$0.54 per share at the date of completion on 16 June 2014, amounted to approximately HK\$788,322,000. Details of which have been disclosed in the announcements of the Company dated 23 March 2014, 3 April 2014 and 16 June 2014.
- (d) At the special general meeting of the Company held on 15 June 2015, the relevant resolution was passed in respect of the share consolidation of every ten issued and unissued ordinary shares of HK\$0.01 each into one consolidated share of HK\$0.1 each. Immediately after the share consolidation effective on 16 June 2015, the issued and fully paid ordinary share capital of the Company was 1,869,625,387 shares of HK\$0.10 each.
- (e) At the special general meeting of the Company held on 15 June 2015, the relevant resolution was passed to increase the authorised share capital of the Company from HK\$500,000,000 to HK\$10,000,000,000 by the creation of new 95,000,000,000 ordinary shares of HK\$0.1 each following the share consolidation mentioned in (d) above.

These shares rank pari passu with the existing ordinary shares of the Company in all respects.

20. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group had committed to future minimum lease payments in respect of office and factory premises under non-cancellable operating leases which fall due as follows:

| | 30 June 2015 <i>HK\$'000</i> (Unaudited) | 31 December 2014 <i>HK\$'000</i> (Audited) |
|---|---|---|
| Within one year | 12,859 | 49,613 |
| In the second year to fifth year both inclusive | 2,775 | 17,268 |
| | 15,634 | 66,881 |

21. COMMITMENTS

Capital commitments

| | 30 June 2015 <i>HK\$'000</i> (Unaudited) | 31 December 2014 <i>HK\$'000</i> (Audited) |
|-------------------------------------|---|---|
| Contracted, but not provided for: | | |
| Property, plant and equipment | 589,089 | 289,587 |
| Properties being developed for sale | 365,468 | 366,300 |
| | 954,557 | 655,887 |

22. PLEDGE OF ASSETS

As at 30 June 2015, the Group charged and/or pledged its equity interest of a subsidiary with net asset value of approximately HK\$443,847,000 (31 December 2014: n/a), property, plant and equipment of approximately HK\$462,698,000 (31 December 2014: HK\$530,382,000), prepaid lease payments of approximately HK\$15,304,000 (31 December 2014: HK\$15,494,000) and intangible assets of approximately HK\$32,253,000 (31 December 2014: HK\$33,668,000) to secure the Group's borrowing facilities and finance lease payables.

23. DISPOSAL OF SUBSIDIARIES

| | <i>HK\$'000</i> |
|---------------------------------------|-----------------|
| Net assets/(liabilities) disposed of: | |
| Bank balance | 999 |
| Loan from shareholder | (999) |
| | <hr/> |
| | - |
| Gain on disposal of subsidiaries | 110 |
| | <hr/> |
| | 110 |
| | <hr/> <hr/> |
| Satisfied by: | |
| Cash | 110 |
| | <hr/> <hr/> |

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

| | <i>HK\$'000</i> |
|--|-----------------|
| Cash consideration | 110 |
| Bank balance disposed of | (999) |
| | <hr/> |
| Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries | (889) |
| | <hr/> <hr/> |

24. RELATED PARTY TRANSACTIONS

- (a) On 9 February 2014 and 21 February 2014, the Company entered into a sale and purchase agreement and a supplemental agreement respectively with Ms. Xu Ning ("Ms. Xu"), the executive Director, for the acquisition of the entire issued shares of Win Rich Group Limited ("Win Rich") which was beneficially owned by Ms. Xu at the total consideration of approximately HK\$141,491,000. Win Rich was incorporated for the purpose of entering into a purchase agreement and the leasing agreements with respect to an aircraft. The relevant resolution was passed in a special general meeting of the Company held on 28 March 2014 by way of poll. The completion of such acquisition took place on 7 April 2014. Details of which have been disclosed in the announcements of the Company dated 9 February 2014, 21 February 2014 and 7 April 2014 and the circular of the Company dated 12 March 2014.
- (b) On 27 March 2014, Landing Jeju Development Co. Ltd. was granted a shareholder loan of approximately Singapore Dollar 97,529,000 (equivalent to approximately HK\$614,557,000) from Happy Bay Pte. Ltd.. The shareholder loan charged interest rate at 5% per annum. Approximately HK\$13,902,000 of interest expense was capitalised into the property, plant and equipment during the six months ended 30 June 2015 (six months ended 30 June 2014: HK\$8,034,000).

- (c) The remuneration of Directors and other members of key management of the Company during the reporting period, which was determined by the remuneration committee having regard to the performance of individuals and market trends, is as follows:

| | For the six months ended 30 June | |
|---------------------|---|-------------|
| | 2015 | 2014 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Short-term benefits | 19,916 | 5,570 |

25. EVENTS AFTER THE REPORTING PERIOD

On 17 July 2015, the Company completed the rights issue at the subscription price of HK\$0.35 per rights share on the basis of ten rights shares for every one share held on the record date and a total of 18,696,253,870 rights shares were issued.

26. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These condensed consolidated financial statements were approved and authorised for issue by the Board on 25 August 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the six months ended 30 June 2015, the Group's revenue increased by 14.2% to approximately HK\$109,234,000 (2014: HK\$95,682,000). The Group recorded a loss for the period attributable to equity holders of the Company of approximately HK\$143,906,000, compared to a loss of approximately HK\$129,721,000 in the corresponding period in 2014. The loss per share was HK7.7 cents (2014: loss per share HK7.6 cents (restated)).

REVIEW OF OPERATION

During the period under review, the Company is an investment holding company, and the Group is principally engaged in (i) Lighting Business; (ii) Property Development; (iii) Integrated Resort Development; and (iv) Casino Business.

LIGHTING BUSINESS

The Lighting Business performance improved slightly with the revenue of approximately HK\$109,234,000 for the six months ended 30 June 2015, which represented an increase of 22.4% from approximately HK\$89,254,000 for the corresponding period in 2014. The loss decreased from approximately HK\$32,603,000 for the corresponding period in 2014 to approximately HK\$19,760,000 for the six months ended 30 June 2015. The increase in revenue was mainly stimulated by price reduction resulted from the keen competition.

As a result of the continuing non-performance of the Lighting Business as well as the expected decrease in business's revenue growth, during the period, the goodwill was fully impaired with recognised impairment of HK\$16,135,000 (six months ended 30 June 2014: HK\$25,700,000). Details of goodwill are set out in note 11 to the condensed consolidated financial statements.

PROPERTY DEVELOPMENT

Through the indirect wholly-owned subsidiary (Yueyang Nanhu Meishu Properties Limited[#] (岳陽南湖美墅置業有限公司) (the “**Yueyang Company**”)), the Group engaged in the development and operation of a parcel of land situated on the western shore of Nanhu Lake[#] (南湖), Yueyang, Hunan Province, PRC, which is under development into high-end residential buildings with club houses and parking lots.

During the period, about 55% of the first phase residential property units held by Yueyang Company available for pre-sale has been contracted and these contracted residential property units are planned for delivery to customers and will be recognised as turnover in coming years. Overall, the constructions of the first and second phases as at 30 June 2015 were 90% and 24% completed respectively, based on the total investment amount.

INTEGRATED RESORT DEVELOPMENT

In March 2014, the Group completed both the acquisition of certain parcels of land totaling approximately 2,319,613 square meters located at Seogwang-ri in Andeog-myeon, Seogipo City, Jeju, South Korea (the “**Land**”) for the Myth-History Park project (the “**Jeju Project**”) and the issue of 50% shares in Landing Jeju Development Co., Ltd. (“**Landing Jeju**”) (the direct wholly owned subsidiary holding the Jeju Project) to Happy Bay Pte. Ltd. (“**HBL**”) (a wholly owned subsidiary of Genting Singapore PLC (“**Genting Singapore**”, together with subsidiaries, “**Genting Singapore Group**”)), thereby forming a strategic partnership to develop, manage and operate the Jeju Project. Landing Jeju then became a non-wholly owned subsidiary of the Company and a shareholders agreement was entered.

The Board was of the view that, through the partnership with Genting Singapore Group, the Company would share not only the development costs of the Jeju Project with HBL but also be able to tap into the wealthy and successful experiences and expertise of the Genting Singapore Group in the management of the gaming and integrated resort development. A gaming operator agreement, a hotel operator agreement, a theme park operator agreement and a residential management agreement were entered to ensure that the fundamentals and facilities of the Jeju Project would be well built and managed by a quality and experienced management team.

During the period, Landing Jeju obtained building permits from the Jeju government (based on the current development plan) for zones A and R of the Land forming part of the Jeju Project, and a groundbreaking ceremony was held on 12 February 2015 in Jeju, South Korea to mark the official start of the construction works of the Jeju Project.

CASINO BUSINESS

In June 2014, the Group, through its wholly owned subsidiary, Magical Gains, completed the acquisition of a casino in Hyatt Regency Jeju Hotel (“**Jeju Casino**”) operated by Grand Express Korea Co., Ltd. by acquiring of the entire issued share capital of Ultra Matrix International Limited (“**Ultra Matrix**”) (“**Casino Acquisition**”). To facilitate a smooth transition and integration of the Casino Business into the Group, the vendor of the Casino Acquisition was engaged to manage the Jeju Casino until October 2014 when the operation of the Jeju Casino was suspended for renovation.

To bring in the managerial expertise of established casino operator to the Jeju Casino and to broaden its clientele, on 23 December 2014, 50% issued share capital of Magical Gains was subscribed by Pearl Concept Enterprises Limited (“**Pearl Concept**”), a wholly owned subsidiary of Genting Hong Kong Limited (“**Genting HK**”), making the group of Genting HK as a joint venture partner of the Casino Business.

The operation of the Jeju Casino was suspended since 19 October 2014 for renovation until 18 January 2015. Due to the change of customer focus and marketing strategy and the strengthened managerial and professional support after the re-branding and re-opening in January 2015, the performance of the Jeju Casino improved significantly during the period, and the Group shared the profit from the Casino Business of approximately HK\$24,462,000.

OUTLOOK

LIGHTING BUSINESS

The performance of Lighting Business improved slightly, yet, given that the products of the Lighting Business mainly consist of low end traditional LED products, such as through-hole LED and LED piranha and the entry barrier of the LED lighting industry is getting lower due to the widespread of technology, competition in the LED lighting industry is getting keener, the Group is under the pressure of marking down the selling price in order to stimulate the sales volume. The Group will closely monitor the market and adjust the pricing strategy to improve the performance of the Lighting Business. If the Lighting Business continues to operate in an unfavourable environment, the Company may consider restructuring or downsizing the Lighting Business.

PROPERTY DEVELOPMENT

The construction works for the first phase residential property units held by Yueyang Company are near to completion while the construction works for the second phase are still at early stage. It is expected that the entire construction will be completed by or around the third quarter of 2016. Currently, about 55% of the first phase residential property units available for pre-sale has been contracted and these contracted residential property units are planned for delivery to customers and will be recognised as turnover in coming years. Considering the possible future change in the government policies in relation to the property and financial markets which may affect the sentiment and performance of the property market, the management will closely monitor the market condition and decide the timeframe for applying the permit of second phase pre-sale.

INTEGRATED RESORT DEVELOPMENT

The construction works of the Jeju Project have progressed in full swing. The construction tendering process of zone A and the earthwork of zone R were started in August 2015. Zone A will be developed into a gaming and integrated resort comprising premium hotels and villa hotel and other conferencing and exhibition facilities, a gaming facility, a theme park and shopping and other entertainment and tourism facilities. Zone R will be developed into condominiums, villas, bungalows and other accommodation facilities. Landing Jeju will continue to work closely with the local government of Jeju, South Korea to ensure the smooth progress and completion of the Jeju Project. The facilities of the Jeju Project are expected to be opened progressively from 2017, and the entire development is expected to be completed by 2019.

CASINO BUSINESS

On 29 July 2015, the Company entered into a sale and purchase agreement with Pearl Concept pursuant to which the Company has conditionally agreed to acquire and Pearl Concept has conditionally agreed to sell 50% of the issued share capital of Magical Gains, at the total consideration of KRW130,000,000,000 (equivalent to approximately HK\$864,074,443) (“**Acquisition**”). The Acquisition constitutes a very substantial acquisition of the Company under chapter 14 of the Listing Rules and subject to the Company’s shareholders’ approval. As at the date of this announcement, the relevant circular has not yet despatched.

After the Acquisition, if materialized, Magical Gains Group will become wholly-owned subsidiaries of the Company and the financial results of the Casino Business will be consolidated into the consolidated financial statements of the Group, and the revenue of the Group will then be enhanced given the persistently growth of the Casino Business. Due to series of advantageous factors in South Korea, among others, including: (i) favorable visa/immigration policies for Chinese inbound travelers; (ii) the close proximity between mainland China and South Korea; and (iii) improved direct access via flights and cruises, there is an upward trend in the number of Chinese tourists travelling to South Korea and the gaming industry in South Korea is expected to gain advantage from the booming tourism in South Korea. The Group aims to develop the Jeju Casino as one of landmarks of Jeju, South Korea.

The Company will continue to pay close attention to the performance of the existing businesses of the Group and strive to foster its business development and enhance financial and operating performances. To pursue in this direction, save for the business development mentioned herein, the management of the Company will proactively seek for any investment opportunity in other businesses with promising prospect and/or companies with profitability track record such that the income base of the Group could be broadened and diversified.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2015, the Group had non-current assets of approximately HK\$3,243,361,000 (31 December 2014: HK\$2,156,965,000) and net current assets of approximately HK\$2,355,831,000 (31 December 2014: HK\$3,190,807,000). The current ratio, expressed as the ratio of the current assets of approximately HK\$8,877,473,000 (31 December 2014: HK\$3,736,272,000) over the current liabilities of approximately HK\$6,521,642,000 (31 December 2014: HK\$545,465,000), was 1.36 as at 30 June 2015 (31 December 2014: 6.85). The significant decrease in current ratio was mainly due to the increase in both current assets and liabilities after the controlling shareholder, Landing International Limited (“**LIL**”) placed a deposit of approximately HK\$5,186,580,000 as security of its obligations as an underwriter of the rights issue at the subscription price of HK\$0.35 per rights share on the basis of ten rights shares for every one share held on the record date (the “**Rights Issue**”) during the period. The significant decrease in net current assets was mainly due to (i) the raise of other borrowing of approximately HK\$774,000,000 which is repayable within one year of which approximately HK\$467,800,000 was utilised for marketable securities as long term investments; (ii) the purchase of property, plant and equipment by utilizing bank and cash balances of approximately HK\$152,092,000; and (iii) the increase in the operating loss during the period.

As at 30 June 2015, the Group had trade and other receivables of approximately HK\$720,690,000 (31 December 2014: HK\$427,229,000), trade and other payables of approximately HK\$5,602,345,000 (31 December 2014: HK\$389,614,000), current bank and other borrowings with fixed interest rate of approximately HK\$88,555,000 denominated in Renminbi (31 December 2014: HK\$89,676,000) and approximately HK\$764,651,000 denominated in United States dollar (31 December 2014: nil), obligations under finance lease with variable interest rate of approximately HK\$264,596,000 denominated in United States Dollar (31 December 2014: HK\$297,671,000) and amount due to non-controlling interests with fixed interest rate of approximately HK\$600,898,000 denominated in Singapore Dollar (31 December 2014: HK\$598,826,000). Total liabilities amounted to approximately HK\$7,329,532,000 as at 30 June 2015 (31 December 2014: HK\$1,382,151,000). The Group’s gearing ratio, which was measured on the basis of the Group’s total liabilities divided by total assets, was 60.5% (31 December 2014: 23.5%).

As at 30 June 2015, the Group had cash and bank balances of approximately HK\$6,386,626,000, with approximately HK\$19,095,000 and HK\$919,404,000 held in Renminbi and Korean Won respectively and the remaining held in Hong Kong dollar (31 December 2014: approximately HK\$1,655,667,000, with approximately HK\$27,444,000 and HK\$1,139,328,000 held in Renminbi and Korean Won respectively and the remaining held in Hong Kong dollar). The increase in the bank balance and cash is mainly due to the deposit received from LIL as an underwriter of the Rights Issue mentioned above.

CAPITAL STRUCTURE

Share consolidation on the basis of every ten issued and unissued existing shares consolidating into one share of the Company of HK\$0.1 each was effective on 16 June 2015. Subsequent to the share consolidation, the authorised share capital of the Company was increased from HK\$500,000,000 to HK\$10,000,000,000 by creation of 95,000,000,000 ordinary shares of HK\$0.1 each. As at 30 June 2015, the total number of issued ordinary shares of the Company was 1,869,625,387 shares with a nominal value of HK\$0.1 each.

Subsequent to the end of period under review, on 17 July 2015, the Company completed the Rights Issue and a total of 18,696,253,870 rights shares were allotted and issued.

As at the date of this announcement, the total number of issued ordinary shares of the Company is 20,565,879,257 shares with a nominal value of HK\$0.1 each.

CAPITAL COMMITMENTS

As at 30 June 2015, the Group had capital commitment of approximately HK\$954,557,000 (31 December 2014: approximately HK\$655,887,000) in respect of the property, plant and equipment and properties being developed for sale.

Save as disclosed above, the Group did not have any other material capital commitments.

CONTINGENT LIABILITY

As at 30 June 2015, the Group did not have any material contingent liability (31 December 2014: nil).

PLEDGE OF ASSETS

As at 30 June 2015, the Group charged and/or pledged its equity interest of a subsidiary with net asset value of approximately HK\$443,847,000 (31 December 2014: n/a), and property, plant and equipment of approximately HK\$462,698,000 (31 December 2014: HK\$530,382,000), prepaid lease payments of approximately HK\$15,304,000 (31 December 2014: HK\$15,494,000) and intangible assets of approximately HK\$32,253,000 (31 December 2014: HK\$33,668,000) to secure the Group's borrowing facilities and finance lease payables.

Save as disclosed above, the Group did not have other pledge of assets.

SEGMENT INFORMATION

Details of segment information of the Group for the six months ended 30 June 2015 are set out in note 5 to the condensed consolidated financial statements.

CASH FLOW MANAGEMENT AND LIQUIDITY RISK

The Group's objective of cash flow management is to maintain a balance between continuity of funding and flexibility through a combination of internal resources, bank borrowings, and other debt or equity financing, as appropriate. The Group is comfortable with the present financial and liquidity position, and will continue to maintain a reasonable liquidity buffer to ensure sufficient funds are available to meet liquidity requirements at all times.

CURRENCY AND INTEREST RATE STRUCTURE

Business transactions of the Group are mainly denominated in Hong Kong Dollar, Renminbi, Korean Won, United States Dollar and Singapore Dollar. Currently, the Group does not enter into any agreement to hedge against the foreign exchange risk. In view of the fluctuation of Renminbi, Korean Won, United States Dollar and Singapore Dollar in recent years, the Group will continue monitor the situation closely and will introduce suitable measures as and when appropriate.

The Group had limited exposure to interest rate fluctuation on bank borrowings and amount due to non-controlling interests as at 30 June 2015, as the interest rates of the bank borrowings and amount due to non-controlling interests are fixed throughout their respective loan terms.

At 30 June 2015, the Group had an obligations under finance lease that bear variable interests linked to London Inter-bank Borrowing Rates. Taking into account of the potential increase in interest rates, the Group will prudently consider additional derivative financial instruments to hedge against its interest rate risk exposure if and when appropriate.

MATERIAL ACQUISITION AND DISPOSAL

Subsequent to the period under review, on 29 July 2015, the Company entered into a sale and purchase agreement for the Acquisition. The Acquisition constitutes a very substantial acquisition of the Company under chapter 14 of the Listing Rules and subject to the Company's shareholders' approval. As at the date of this announcement, the relevant circular has not yet despatched. Details of which have been set out in the announcement of the Company dated 4 August 2015.

Save as disclosed above, there was no material acquisition or disposal during the period under review that should be notified to the shareholders of the Company.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2015, the Group had around 900 full-time employees (including management, administrative staff and production workers), with total staff costs amounted to approximately HK\$60,958,000 (2014: HK\$26,450,000) for the period under review. Most of the employees were stationed in PRC and South Korea while the rest were in Hong Kong. The remuneration, promotion and salary increments of employees are assessed according to the individual's performance, as well as professional and working experience, and in accordance with prevailing industry practices.

DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: nil).

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

Save for Mr. Yang Zhihui, the chairman and executive Director, and Ms. Xu, the executive Director, being respectively the controlling shareholder and a shareholder of Anhui Landing Holdings Group Co., Ltd., 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 property development business in Yueyang, the PRC, as at the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

SHARE OPTION SCHEME

The Company adopted the share option scheme pursuant to an ordinary resolution passed on 11 June 2010 (the "**Share Option Scheme**"). Subsequent to the period under review, during the special general meeting of the Company held on 24 August 2015 (the "**SGM**"), the shareholders of the Company duly approved to refresh the total number of shares of the Company which may be issued upon the exercise of all options to be granted under the Share Option Scheme to be 10% of the Company's issued share capital as at the date of the SGM, that is 2,056,587,925 shares of the Company.

On 15 December 2014, the Company granted share options (the "**Options**") under the Share Option Scheme to certain eligible grantees (the "**Grantees**"), which, subject to acceptance by the Grantees, would enable the Grantees to subscribe for an aggregate of 869,375,807 ordinary shares of the Company of HK\$0.01 each in the share capital of the Company at the exercise price of HK\$0.225 per new share. Subsequently on 8 January 2015, the grant of Options was cancelled in its entirety and no Grantee had exercised the said Options prior to such cancellation. Saved as disclosed, no share option has been granted or exercised by the Company since the adoption of the Share Option Scheme.

CORPORATE GOVERNANCE

Throughout the six months ended 30 June 2015, the Company has applied the principles and complied with the applicable code provisions as set out in the Code on Corporate Governance Practices in Appendix 14 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix 10 of the Listing Rules. Having made specific enquiry, all Directors confirmed that they have complied with the required standard set out in the Model Code during the six months ended on 30 June 2015.

AUDIT COMMITTEE REVIEW

As at the date of this announcement, the Audit Committee comprises Mr. Fok Ho Yin, Thomas (chairman of the Audit Committee), Mr. Chen Lei and Ms. Zhang Xiaolan, the independent non-executive Directors of the Company. The Audit Committee has reviewed with the management and external auditors in relation to the accounting principles and practices adopted by the Group and has discussed auditing, internal controls and financial reporting matters including the review of the condensed consolidated financial statements for the six months ended on 30 June 2015.

BOARD OF DIRECTORS

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 Ms. Zhang Xiaolan as independent non-executive Directors.

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

Hong Kong, 25 August 2015

The English translation of Chinese names or words in this announcement, 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 case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.