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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 2016

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 2016 together with the comparative figures for the corresponding period in 2015. The audit committee of the Company (the "**Audit Committee**") has reviewed and discussed with the management of the Company the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2016.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended 30 June 2016

		For the six months ended 30 June	
		2016	2015
		HK$'000	*HK$'000*
	Notes	**(Unaudited)**	(Unaudited)
Revenue	*6*	**445,295**	109,234
Other losses, net		**(19,842)**	(15,394)
Special gaming tax and other related taxes to the government		**(14,800)**	–
Commission and allowances to gaming counterparties		**(59,229)**	–
Raw materials and consumables used		**(84,324)**	(73,643)
Amortisation and depreciation		**(37,689)**	(23,170)
Employee benefit expenses	*8*	**(200,862)**	(60,958)
Other operating expenses		**(376,550)**	(96,054)
Finance income/(costs), net	*7*	**34,681**	(38,859)
Change in fair value of financial assets at fair value through profit or loss ("**FVTPL**")		**(287,361)**	–
Change in fair value of investment properties		**(45,956)**	–
Share of profits and losses of:			
Joint venture		**–**	24,462
Associate		**–**	–
LOSS BEFORE TAX	*8*	**(646,637)**	(174,382)
Income tax (expense)/credit	*9*	**(15,918)**	998
LOSS FOR THE PERIOD		**(662,555)**	(173,384)
Attributable to:			
Owners of the Company		**(526,456)**	(143,906)
Non-controlling interests		**(136,099)**	(29,478)
		(662,555)	(173,384)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*11*		
Basic and diluted:			(Restated)
For loss for the period		**HK(2.56) cents**	HK(6.18) cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Six months ended 30 June 2016

	For the six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
LOSS FOR THE PERIOD	**(662,555)**	(173,384)
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent period:		
Change in fair value of available-for-sale investments	**–**	500,390
Exchange differences on translation of foreign operations	**(84,603)**	(38,124)
Release of translation reserve upon disposal of subsidiaries	**25**	–
Share of other comprehensive loss of:		
Joint venture	**–**	(8,666)
Associate	**–**	–
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	**(84,578)**	453,600
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	**(747,133)**	280,216
(Loss)/profit attributable to:		
Owners of the Company	**(640,915)**	322,011
Non-controlling interests	**(106,218)**	(41,795)
	(747,133)	280,216

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	**30 June 2016** *HK$'000* **(Unaudited)**	31 December 2015 *HK$'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*12*	**2,341,483**	1,689,470
Investment properties	*13*	**239,800**	55,000
Prepaid land lease payments		**14,131**	14,568
Goodwill	*14*	**316,977**	5,438
Intangible assets	*15*	**2,031,394**	784,820
Other receivables	*17*	**14,444**	–
Investment in a joint venture	*16*	**–**	–
Investment in an associate		**–**	–
Total non-current assets		**4,958,229**	2,549,296
CURRENT ASSETS			
Inventories		**78,146**	45,719
Properties under development		**1,543,618**	1,135,733
Trade and other receivables	*17*	**1,709,138**	895,187
Amount due from a joint venture	*16*	**39,074**	–
Financial assets at FVTPL	*18*	**1,288,523**	1,575,884
Tax recoverable		**7,826**	14,866
Cash and bank balances		**5,226,427**	5,191,990
Total current assets		**9,892,752**	8,859,379
CURRENT LIABILITIES			
Trade and other payables	*19*	**802,580**	284,294
Bank and other borrowings	*20*	**2,371,565**	83,591
Income tax payable		**39,207**	–
Amount due to a shareholder	*21*	**23,400**	–
Total current liabilities		**3,236,752**	367,885
NET CURRENT ASSETS		**6,656,000**	8,491,494

	Notes	30 June 2016 HK$'000 (Unaudited)	31 December 2015 HK$'000 (Audited)
TOTAL ASSETS LESS CURRENT LIABILITIES		**11,614,229**	11,040,790
NON-CURRENT LIABILITIES			
Other payables	*19*	**4,951**	4,160
Amount due to a non-controlling interest		**1,430,247**	1,342,125
Deferred tax liabilities		**246,622**	6,105
Total non-current liabilities		**1,681,820**	1,352,390
Net assets		**9,932,409**	9,688,400
EQUITY			
Share capital	*22*	**2,056,588**	2,056,588
Reserves		**6,535,420**	7,176,335
Equity attributable to owners of the Company		**8,592,008**	9,232,923
Non-controlling interests		**1,340,401**	455,477
Total equity		**9,932,409**	9,688,400

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

Six months ended 30 June 2016

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 development and operation of integrated leisure and entertainment resort (the "**Integrated Resort Development**"); gaming club and entertainment facilities (the "**Gaming Business**"); property development (the "**Property Development**"); and design, manufacturing and sales of the light-emitting diode ("**LED**") and semiconductor lighting related products (the "**Lighting Business**").

The condensed consolidated interim financial information is presented in HK dollar, unless otherwise stated. This condensed consolidated interim financial information has not been audited nor reviewed.

Key Events

On 28 April 2016, the Group completed the acquisition of Les Ambassadeurs Club Limited ("**Les A**"), a company that is principally engaged in Gaming Business in London, the United Kingdom (the "**UK**"). Further details are set out in note 26 to the condensed consolidated interim financial information.

2. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2016 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34, "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA ("**HKFRSs**").

In previous years, the Group presented an analysis of expenses recognised in consolidated statement of profit or loss using a classification based on their function.

During the period, the Board has performed a review of the content and presentation of the financial statements to ensure compliance with relevant accounting standards as well as the comparability with those of the other market participants within the same industry. In view that the Group's results of operations is increasingly driven by the Gaming Business in particular after the acquisition of Les A in the current period, and less focus has been placed on the Lighting Business, the Board considered that it is appropriate to adopt an analysis of expenses recognised in consolidated statement of profit or loss using a classification based on their nature which would be more relevant to the Group's circumstances and for the users of the Group's financial statements.

The changes in presentation have been adopted retrospectively, and certain corporate figures have been restated. The changes in the presentation of the consolidated statement of profit or loss did not have any impact of the Group's loss for the period or the calculation of the Group's loss per share.

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2015, as described in those annual financial statements.

(a) Amendments to HKFRSs effective for the financial year ending 31 December 2016 do not have a material impact on the Group

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(b) Impact of standards issued but not yet applied by the entity

(i) HKFRS 9 Financial instruments

HKFRS 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The standard does not need to be applied until 1 January 2018 but is available for early adoption. The Group is currently assessing whether it should adopt HKFRS 9 before its mandatory date.

The financial assets held by the Group include equity investments currently measured at FVTPL which would likely continue to be measured on the same basis under HKFRS 9

Accordingly the Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets under HKFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in earlier recognition of credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

(ii) HKFRS 15 Revenue from contracts with customers

The HKICPA has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers revenue arising from the sale of goods and the rendering of services and HKAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The standard permits either a full retrospective or a modified retrospective approach for the adoption. The new standard is effective for first interim periods within annual reporting periods beginning on or after 1 January 2018, and will allow early adoption.

Management is currently assessing the effects of applying the new standard on the Group's financial statements.

At this stage, the Group is not able to estimate the effect of the new rules on the Group's financial statements. The Group will make more detailed assessments of the effect. The Group does not expect to adopt the new standard before 1 January 2018.

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

4. ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2015.

5. FINANCIAL RISK MANAGEMENT

5.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2015.

There have been no changes in the risk management policies since the year ended 31 December 2015.

5.2 Liquidity Risk

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at 30 June 2016					
Trade and other payables	**720,014**	**–**	**4,951**	**–**	**724,965**
Bank and other borrowings	**2,458,282**	**–**	**–**	**–**	**2,458,282**
Amount due to a non-controlling interest	**–**	**–**	**1,679,008**	**–**	**1,679,008**
Amount due to a shareholder	**23,400**	**–**	**–**	**–**	**23,400**
	3,201,696	**–**	**1,683,959**	**–**	**4,885,655**
As at 31 December 2015					
Trade and bill payables	159,897	–	4,160	–	164,057
Bank and other borrowings	86,150	–	–	–	86,150
Amount due to a non-controlling interest	–	–	1,735,408	–	1,735,408
	246,047	–	1,739,568	–	1,985,615

5.3 Fair Value Estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 June 2016.

	Level 1 ***HK$'000***	**Level 2** ***HK$'000***	**Level 3** ***HK$'000***	**Total** ***HK$'000***
Assets				
Equity investments	475,749	–	–	475,749
Investment fund	–	812,774	–	812,774
Total assets	475,749	812,774	–	1,288,523

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2015.

	Level 1 *HK$'000*	Level 2 *HK$'000*	Level 3 *HK$'000*	Total *HK$'000*
Assets				
Equity investments	610,715	–	–	610,715
Investment fund	–	965,169	–	965,169
Total assets	610,715	965,169	–	1,575,884

There were no transfers among Levels 1, 2 and 3 during the period.

6. SEGMENT INFORMATION

Management of the Company has determined the operating segments based on the reports reviewed by the Group's Chief Operating Decision Maker ("**CODM**") that are used to make strategic decisions. The CODM considers the Group is operating predominantly in four operating segments as follows:

(a) Integrated Resort Development;

(b) Gaming Business;

(c) Property Development; and

(d) Lighting Business

The Group's CODM monitors the results of the operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment (loss)/profit, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that finance income, finance costs, as well as head office and corporate income and expenses are excluded from such measurement.

The following table presents revenue and results information regarding the Group's operating segments for the six months ended 30 June 2016 and 2015, respectively:

For the six months ended 30 June 2016

	Integrated Resort Development *HK$'000* **(Unaudited)**	**Gaming Business** *HK$'000* **(Unaudited)**	**Property Development** *HK$'000* **(Unaudited)**	**Lighting Business** *HK$'000* **(Unaudited)**	**Total** *HK$'000* **(Unaudited)**
Revenue — external sales	**–**	**325,390**	**–**	**119,905**	**445,295**
Segment results	**(42,521)**	**82,077**	**(223,836)**	**(7,290)**	**(191,570)**
Unallocated corporate income					**3,229**
Unallocated corporate expenses					**(492,977)**
Finance income, net					**34,681**
Loss before tax					**(646,637)**

For the six months ended 30 June 2015

	Integrated Resort Development *HK$'000* (Unaudited)	Gaming Business *HK$'000* (Unaudited)	Property Development *HK$'000* (Unaudited)	Lighting Business *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Revenue — external sales	–	–	–	109,234	109,234
Segment results	(61,155)	–	(5,495)	(19,760)	(86,410)
Unallocated corporate income					1,410
Unallocated corporate expenses					(74,985)
Finance costs, net					(38,859)
Share of profits and losses of:					
Joint ventures					24,462
Loss before tax					(174,382)

Geographical Information

(a) Revenue from external customers

	For the six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Mainland China	**76,726**	78,221
South Korea	**259,666**	17,795
UK	**93,294**	–
Other countries	**15,609**	13,218
	445,295	109,234

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

(b) Non-current assets

	30 June	31 December
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Hong Kong	**640,723**	467,364
Mainland China	**85,854**	87,216
South Korea	**1,711,394**	1,204,458
UK	**157,443**	–
	2,595,414	1,759,038

The non-current assets information above is based on the locations of the assets and excludes goodwill, intangible assets, other receivables, investments in a joint venture and an associate.

Information about Major Customers

During the six months ended 30 June 2016 and 2015, there was no single external customer that has contributed over 10% of the Group's total revenue.

7. **FINANCE INCOME/(COSTS), NET**

	For the six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Bank and other interest income	**18,688**	5,037
Interest income from promissory notes	**18,325**	–
Finance income	**37,013**	5,037
Interest expenses on bank and other borrowings	**68,017**	49,108
Interest expenses on finance lease	**–**	8,690
Total interest expenses on bank and other borrowings	**68,017**	57,798
Less: Interest expenses capitalised	**(65,685)**	(13,902)
Finance costs	**2,332**	43,896
Finance income/(costs), net	**34,681**	(38,859)

8. **LOSS BEFORE TAX**

	For the six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss before tax is arrived at after charging/(crediting):		
Foreign exchange differences, net	**11,241**	4,627
Loss on disposal of property, plant and equipment	**5**	176
Minimum lease payments under operating leases of land and buildings	**17,467**	6,070
Write-down of inventories to net realisable value	**–**	1,015
Dividend income	**(798)**	–
Employee benefit expenses (including Directors' remuneration):		
Wages and salaries	**218,389**	79,701
Pension scheme contributions	**18,765**	2,738
Less: amounts capitalised	**(36,292)**	(21,481)
	200,862	60,958

9. INCOME TAX EXPENSE/(CREDIT)

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 2016 and 2015. 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	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax		
— Mainland China	**190**	32
— South Korea	**18,500**	–
Over-provision in previous year	**(2,772)**	–
Deferred tax credit	**–**	(1,030)
Income tax expense/(credit)	**15,918**	(998)

10. DIVIDEND

No dividend on ordinary shares has been paid or declared by the Company for the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

11. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

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

	For the six months ended 30 June	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss attributable to ordinary equity holders of the Company, used in the basic and diluted loss per share calculation:	**(526,456)**	(143,906)
Number of shares	**'000**	'000 (restated)
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 2015: adjusted for the rights issue which was completed on 20 July 2015)	**20,565,879**	2,327,645

For the six months ended 30 June 2016 and 2015, diluted loss per share equals basic loss per share as there was no dilutive potential share.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2016, the Group acquired assets with total cost of approximately HK$500,136,000 (six months ended 30 June 2015: HK$152,092,000) excluding items acquired through acquisition of subsidiaries.

13. INVESTMENT PROPERTIES

	Investment properties *HK$'000*
Six months ended 30 June 2016	
Net book value or valuation	
Opening amount as at 31 December 2015 and 1 January 2016	**55,000**
Additions	**230,756**
Fair value losses	**(45,956)**
Closing amount as at 30 June 2016	**239,800**

The valuations of the investment properties at 30 June 2016 and 31 December 2015 were carried out by an independent qualified valuer, Roma Appraisals Limited.

The fair value measurement information for these investment properties in accordance with HKFRS 13 are given below.

	Fair value measurements at 30 June 2016		
	Quoted prices in active markets for identical assets (Level 1) *HK$'000*	**Significant other observable inputs (Level 2)** *HK$'000*	**Significant unobservable inputs (Level 3)** *HK$'000*
Recurring fair value measurements			
Investment properties	–	–	239,800

	Fair value measurements at 31 December 2015		
	Quoted prices in active markets for identical assets (Level 1)	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
	HK$'000	***HK$'000***	***HK$'000***
Recurring fair value measurements			
Investment property	–	–	55,000

There were no transfers among Level 1, Level 2 and 3 during the period.

Level 3 fair values of investment properties have been derived using the direct comparison approach. The fair value is estimated using assumptions regarding the market value of the similar properties of the investment properties. A significant increase/decrease in the estimated market value in isolation would result in a significant increase/decrease in the fair value of the investment properties.

14. GOODWILL

	30 June 2016	31 December 2015
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Cost		
At beginning of the period/year	**208,830**	203,392
Step acquisition from joint ventures to subsidiaries	**–**	5,438
Acquisition of a subsidiary *(note 26)*	**338,240**	–
Exchange realignment	**(26,701)**	–
	520,369	208,830
Accumulated impairment		
At beginning of the period/year	**203,392**	187,257
Impairment during the period/year	**–**	16,135
	203,392	203,392
Net carrying amount		
At end of the period/year	**316,977**	5,438

Goodwill of HK$203,392,000 and HK$316,977,000 were allocated to Lighting Business and Gaming Business respectively. The goodwill in relation to the Lighting Business was fully impaired as at 31 December 2015.

There was no indicator for impairment on the goodwill in relation to the Gaming Business based on the current operation performance and the expected future revenue growth rate.

15. INTANGIBLE ASSETS

During the current period, the Group acquired a casino license through the acquisition of a subsidiary which represented an addition of intangible assets of the Group, details of which are disclosed in note 26.

As at 30 June 2016, the intangible assets represent the newly acquired casino license in 2016 and the casino license acquired in 2015 by step acquisition from joint ventures to subsidiaries.

16. INVESTMENT IN A JOINT VENTURE/AMOUNT DUE FROM A JOINT VENTURE

	30 June 2016 *HK$'000* **(Unaudited)**	31 December 2015 *HK$'000* (Audited)
Investment in a joint venture	**–**	–
Amount due from a joint venture	**39,074**	–
	39,074	–

Amount due from a joint venture is unsecured, interest-free and has no fixed terms of repayment.

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

Name	Particulars of issued shares	Place of registration and business	Percentage of Ownership interest Direct	Percentage of Ownership interest Indirect	Percentage of Voting power	Percentage of Profit sharing	Principal activities
Dragon Step Global Limited ("**Dragon Step**")	100 ordinary shares	British Virgin Island ("**BVI**")/ Hong Kong	25%	–	50%	25	Investment holding

* *Dragon Step was newly incorporated during the six months ended 30 June 2016.*

The Group holds 25% of the ordinary shares of Dragon Step and controls 50% of the voting power in the general meeting. Under a shareholders' agreement, the Group has the right to appoint one of the two directors of Dragon Step. Therefore, Dragon Step is regarded as a joint venture of the Group and its results are accounted for using the equity method.

17. TRADE AND OTHER RECEIVABLES

	30 June 2016 HK$'000 (Unaudited)	31 December 2015 HK$'000 (Audited)
Trade receivables from third parties	**146,652**	132,989
Impairment	**(42,822)**	(36,633)
	103,830	96,356
Prepayments, deposits and other receivables	**1,619,752**	798,831
Total trade and other receivables	**1,723,582**	895,187
Less: non-current portion	**(14,444)**	–
Current portion	**1,709,138**	895,187

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 2016 HK$'000 (Unaudited)	31 December 2015 HK$'000 (Audited)
0–30 days	**41,908**	28,175
31–60 days	**18,830**	17,965
61–90 days	**17,176**	13,854
Over 90 days	**25,916**	36,362
	103,830	96,356

18. FINANCIAL ASSETS AT FVTPL

	30 June 2016 HK$'000 (Unaudited)	31 December 2015 HK$'000 (Audited)
Listed equity investments at market value *(note i)*	**475,749**	610,715
Investment fund *(note ii)*	**812,774**	965,169
	1,288,523	1,575,884

Notes:

(i) The equity investments were classified as held for trading and fair values were determined based on the quoted market bid prices available on the Stock Exchange.

(ii) The Group purchased an equity market fund from an intermediary in Hong Kong. The fair value of the investment fund was determined by the quote from the intermediary.

19. TRADE AND OTHER PAYABLES

	30 June 2016 *HK$'000* **(Unaudited)**	31 December 2015 *HK$'000* (Audited)
Trade payables to third parties	**128,185**	100,172
Accruals, deposits received and other payables	**679,346**	188,282
	807,531	288,454
Less: non-current portion	**(4,951)**	(4,160)
Current portion	**802,580**	284,294

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

	30 June 2016 *HK$'000* **(Unaudited)**	31 December 2015 *HK$'000* (Audited)
0–30 days	**61,774**	30,843
31–60 days	**15,631**	13,357
61–90 days	**27,507**	15,586
Over 90 days	**23,273**	40,386
	128,185	100,172

20. BANK AND OTHER BORROWINGS

	30 June 2016 *HK$'000* **(Unaudited)**	31 December 2015 *HK$'000* (Audited)
Within one year:		
Bank loans, secured *(note i)*	**87,565**	83,591
Other loans, unsecured *(note ii)*	**2,284,000**	–
Carrying amount repayable on demand or within one year	**2,371,565**	83,591

Notes:

(i) Secured by the Group's property, plant and equipment, and prepaid lease payments with the effective interest rates ranged from 5.8% to 6.6% per annum (31 December 2015: 5.25% to 6.9%). All bank loans are denominated in Renminbi.

(ii) Other loans are interest-bearing at 12% per annum and denominated in HK dollar.

21. AMOUNT DUE TO A SHAREHOLDER

The amount due to a shareholder is unsecured, interest-free and repayable on 28 June 2017.

22. SHARE CAPITAL

	Number of shares *'000*	Total value *HK$'000*
Authorised:		
At 1 January 2015	50,000,000	500,000
Share consolidation *(note a)*	(45,000,000)	–
Increase in authorised shares *(note b)*	95,000,000	9,500,000
At 31 December 2015, 1 January 2016 and 30 June 2016	100,000,000	10,000,000
Issued and fully paid:		
At 1 January 2015	18,696,254	186,963
Share consolidation *(note a)*	(16,826,629)	–
Issue of ordinary shares by rights issue *(note c)*	18,696,254	1,869,625
At 31 December 2015, 1 January 2016 and 30 June 2016	20,565,879	2,056,588

Notes:

(a) At the special general meeting of the Company held on 15 June 2015, the relevant resolution 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 (the "**Consolidated Share**") was passed. Immediately after the share consolidation becoming effective on 16 June 2015, the issued and fully paid ordinary share capital of the Company comprised 1,869,625,387 shares of HK$0.10 each.

(b) 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 95,000,000,000 new ordinary shares of HK$0.1 each following the share consolidation mentioned in (a) above.

(c) On 20 July 2015, the Company completed the rights issue on the basis of ten rights shares for every one Consolidated Share held on the record date (the "**Rights Issue**"). 18,696,254,000 shares were issued at a subscription price of HK$0.35 per rights share with gross proceeds of HK$6,543,689,000, of which HK$1,869,625,000 was credited to share capital and HK$4,674,064,000 was credited to the share premium account. Details of the Rights Issue were set out in the Company's announcements dated 22 April 2015, 5 May 2015, 12 May 2015, 29 May 2015 and 17 July 2015.

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

23. OPERATING LEASE COMMITMENTS

As lessor:

At the end of the reporting period, the total commitments receivable under various non-cancellable operating lease agreements in respect of rented premises are analysed as follows:

	30 June 2016 *HK$'000* **(Unaudited)**	31 December 2015 *HK$'000* (Audited)
Within one year	**238**	487

As lessee:

At the end of the reporting period, the total commitments payable in respect of office and factory premises under various non-cancellable operating leases agreements are analysed as follows:

	30 June 2016 *HK$'000* **(Unaudited)**	31 December 2015 *HK$'000* (Audited)
Within one year	**65,065**	23,986
In the second year to fifth year both inclusive	**183,474**	14,362
After five years	**1,567,061**	–
	1,815,600	38,348

24. COMMITMENTS

Capital Commitments

	30 June 2016 *HK$'000* **(Unaudited)**	31 December 2015 *HK$'000* (Audited)
Contracted, but not provided for:		
Property, plant and equipment	**3,096,562**	1,085,686
Properties being developed for sale	**2,958,717**	906,550
	6,055,279	1,992,236

25. PLEDGE OF ASSETS

At the end of the reporting period, the following assets of the Group were pledged to certain banks to secure general banking and borrowing facilities granted to the Group:

	30 June 2016 *HK$'000* **(Unaudited)**	31 December 2015 *HK$'000* (Audited)
Property, plant and equipment	**70,953**	50,920
Prepaid land lease payment	**14,499**	14,942

26. BUSINESS COMBINATIONS

On 7 December 2015, the Group and Twinwood Limited ("**Twinwood**"), an independent third party, entered into a sale and purchase agreement, pursuant to which the Group acquired 100% of the issued share capital of Les A at a base consideration of £137,000,000 (subject to adjustments), equivalent to approximately HK$1,542,765,000. Les A is principally engaged in Gaming Business in London, UK. The acquisition was completed on 28 April 2016. The Goodwill of approximately HK$338,240,000 arose in the acquisition of Les A because the cost of the combination included amounts in relation to the benefit of expected synergies and the assembled workforce of Les A, which cannot be recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The following table summarises the consideration paid and the provisional fair value of the assets acquired and liabilities assumed recognised at the acquisition date.

	28 April 2016
	HK$'000
Purchase consideration	
— Cash paid	1,542,765
— Other receivable (adjustments on consideration)	(60,546)
	1,482,219
Recognised amounts of identifiable assets acquired and liabilities assumed	
Provisional fair value:	
Cash and banks	67,792
Property, plant and equipment	171,839
Intangible asset	1,338,299
Deferred tax assets	6,419
Inventories	17,962
Other receivables	6,130
Tax recoverable	5,699
Other payable	(223,741)
Deferred tax liabilities	(246,420)
Total identifiable net assets	1,143,979
Goodwill *(note 14)*	338,240
	1,482,219
Acquisition-related costs (included in administrative expenses in the interim condensed consolidated statement of profit or loss for the period ended 30 June 2016)	19,472

	HK$'000
Net cash outflow on acquisition of business	
— cash consideration	(1,542,765)
— cash and banks acquired	67,792
	(1,474,973)

27. RELATED PARTY TRANSACTIONS

(a) Landing Jeju Development Co. Ltd. obtained two shareholder loans of approximately Singapore Dollar 97,529,000 (equivalent to approximately HK$614,557,000) on 27 March 2014 and approximately KRW115,000,000,000 (equivalent to HK$789,002,000) on 30 November 2015 from Happy Bay Pte. The shareholder loan charged interest rate at 5% per annum. Approximately HK$33,224,000 of interest expense was capitalised into the property, plant and equipment during the six months ended 30 June 2016 (six months ended 30 June 2015: HK$13,902,000).

(b) The remuneration of Directors during the 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	
	2016	2015
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Salaries and allowance	**36,065**	19,916

28. EVENTS AFTER THE REPORTING PERIOD

There is no material event after the reporting date.

29. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

These condensed consolidated interim financial information were approved and authorised for issue by the Board on 22 August 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the six months ended 30 June 2016, the Group's consolidated revenue was approximately HK$445,295,000 (2015: HK$109,234,000), representing an increase of 307.7% when compared to the corresponding period in 2015, mainly from the Gaming Business after the completions of the Landing Casino Acquisition (as defined below) and the Club Acquisition (as defined below). A loss attributable to the owners of the Company of approximately HK$526,456,000 (2015: HK$143,906,000) was recorded. The loss for the period was mainly attributable to (i) change in fair value of financial assets at fair value through profit or loss; (ii) increase in employee benefit expenses and other operating expenses incurred in the construction and planning stages of the Integrated Resort Development and Property Development; and (iii) increase in employee benefit expenses and other operating expenses due to expansion of the Group. The basic and diluted loss per share was HK2.56 cents (2015: HK6.18 cents (restated)).

As at 30 June 2016, the consolidated net asset value per share attributable to equity holders of the Company was approximately HK$0.42 (31 December 2015: HK$0.45).

OPERATION AND BUSINESS REVIEW

During the period under review, the Company is an investment holding company, and the Group is principally engaged in (i) Integrated Resort Development; (ii) Gaming Business, (iii) Property Development, and (iv) Lighting Business. The Group's vision is to become one of the global leaders in the tourism, leisure and entertainment industry and satisfactory progress was achieved in this regard in the first half of 2016 — construction of the Myths and History Park project (the "**Jeju Project**") has proceeded in full swing with encouraging results obtained in the pre-sale of the resort accommodation facilities; Landing Casino, the first casino operated under the Group's own brand name, regained momentum in its business and the Completion of the acquisition of Les A which marked the Group's first overseas expansion outside South Korea.

INTEGRATED RESORT DEVELOPMENT

The Group, through its 50% directly owned subsidiary, Landing Jeju Development Co., Ltd. ("**Landing Jeju**"), started its investments in the Jeju Project in Jeju, South Korea in late 2013. Under the current development plan, the Jeju Project will house Jeju's largest family theme park offering more than 20 rides and attractions in 7 different zones under the themes of myths and legends from different parts of the world; Jeju's largest adventure waterpark and one of South Korea's most exciting themed retail and food complexes. Its premium hotels will have more than 2,000 rooms, boasting luxury resort villas, Jeju Island's first 6-star hotel and a destination spa. The hotels will be equipped with full meeting and conference facilities that are suitable for hosting regional and international meetings, incentives, conventions and events. In addition, the hotels will provide cultural facilities, leisure and entertainment amenities, as well as approximately 900 luxury serviced apartments and residential villas. The Jeju Project, when completed, is expected to be one of South Korea's largest integrated resorts.

The construction for the phase one development of the hotels and the theme park has commenced in the first quarter and the second quarter of 2016 respectively, and approximately 10% of the overall construction of the relevant hotel development has been completed as at the date of this announcement. The details of the progress of construction and the pre-sale status of the accommodation facilities of the Jeju Project are set out in the sub-title of "Property Development" under this section.

The Jeju Project has been valued by an independent qualified valuer engaged by the Company at approximately KRW2,875,546,000,000 (equivalent to approximately HK$19,364,350,000) as at 30 June 2016 (compared to book value of approximately HK$2,884,393,000 included in the condensed consolidated statement of financial position as at 30 June 2016), on a market value basis. According to HKAS 2 issued by the HKICPA, land and other property held for resale are classified as inventories of a company, which shall be measured at the lower of cost and net realisable value. Therefore, the aforesaid market value could not be accounted for in the condensed consolidated interim financial information of the Group. Nevertheless, the valuation is a good indication of the remarkable progress and the appreciation in the value of the Group's investment in the Jeju Project.

The Jeju Project (excluding, among others, areas designated for gaming facilities) has been designated as a Foreign Investment Zone under the Foreign Investment Promotion Law in December 2015. Landing Jeju is entitled to the multiple tax relief benefits from 1 January 2016 onwards (details of which were disclosed in the announcement of the Company dated 10 December 2015).

Gaming Business

Jeju, South Korea

The Group completed the buy back of 50% of the shares of Magical Gains Holdings Limited ("**Magical Gains**", together with its subsidiaries, the ("**Magical Gains Group**") ("**Landing Casino Acquisition**") from the then joint venture partner on 19 October 2015, and since then the Magical Gains Group companies have become wholly-owned subsidiaries of the Company. The Landing Casino is now solely owned and operated by the Company under its own brand name. For the six months ended 30 June 2016, revenue and net profit of approximately HK$232,096,000 and HK$60,707,000 were generated from the business of Landing Casino. Such net profit was approximately 5.5% higher when compared to the corresponding period in last year when Magical Gains was a joint venture of the Company.

Magical Gains was a joint venture of the Company before 19 October 2015, due to the net liabilities of the Magical Gains Group, the Group shared no profit of joint venture from the business of Landing Casino for the interim period of last year. Upon the completion of the Landing Casino Acquisition, intangible asset of approximately HK$816,500,000, representing the fair value of the relevant casino license, and goodwill of approximately HK$5,438,000 were recorded. As at 30 June 2016, no impairment was made against the carrying amounts of the relevant goodwill, intangible asset and property, plant and equipment of the business of the Landing Casino after impairment assessment.

London, the UK

On 28 April 2016, the Group completed the acquisition of the entire issued share capital of Les A at the base consideration of £137,000,000 (subject to adjustments) (equivalent to approximately HK$1,542,765,000) (the "**Club Acquisition**"). Les A principally engages in Gaming Business and is the owner and operator of Les Ambassadeurs Club (the "**Les A Club**"). The Les A Club is one of the most exclusive and distinguished 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.

Upon the completion of the Club Acquisition on 28 April 2016, intangible asset of approximately HK$1,338,299,000, representing the fair value of the relevant casino license, and goodwill of approximately HK$338,240,000 were recorded. As at 30 June 2016, no impairment was made against the carrying amounts of the relevant goodwill, intangible asset and property, plant and equipment of the business of the Les A Club after impairment assessment. For the period from 28 April 2016 to 30 June 2016, revenue of approximately HK$93,294,000 was generated from the business of the Les A Club.

Total segment profit of approximately HK$82,077,000 was generated from the business of the Landing Casino and the Les A Club during the six months ended 30 June 2016.

To mitigate the risks in the operation of the Gaming Business, the Group has implemented appropriate internal control and compliance policies, especially in the areas of anti-money laundering and counter terrorist financial controls. The Group will continue to maintain effective controls and standards in the operation and management of the Gaming Business.

Property Development

On 24 November 2015, the Group completed a disposal of the entire issued share capital of Double Earn Holdings Limited, which through its indirect wholly-owned subsidiary, was principally engaged in residential property development at Yueyang, Hunan Province, the People's Republic of China (the "**PRC**") (the "**Yueyang Disposal**"). The consideration for the Yueyang Disposal was HK$1,000,000,000, of which, HK$755,000,000 was settled by cash and the remaining balance of HK$245,000,000 was satisfied by the issue of a promissory note of the same face value by the purchaser. The promissory note bears an interest rate of 15% per annum, and as at 30 June 2016, the relevant accrued interest amounted to approximately HK$18,325,000. Before the completion of the Yueyang Disposal, the residential property units were under pre-sale and so no revenue had been recognized for the Property Development for the corresponding period in 2015.

The construction works for the accommodation facilities under the Jeju Project have been started since year 2015. As at the date of this announcement, the Group completed the entire earth work and structural work of the resort condominiums/villas in zone R, and interior renovation has commenced with approximately 51% of the overall construction work completed. Landing Jeju has obtained the pre-sale permit for the resort condominiums/villas in zone R and commenced the relevant pre-sale in April 2016. As at 30 June 2016, properties under development amounted to approximately HK$1,543,618,000 (2015: HK$1,135,733,000) were related to these developing properties.

Lighting Business

Facing the oversupply situation in the LED industry, the bargaining power of manufacturers was weak and the LED products are under immense pricing pressure. The revenue increased by approximately 10% to approximately HK$119,905,000 for the six months ended 30 June 2016 when compared to the corresponding period in 2015, mainly attributable to the increased turnover driven by price reduction resulting from the keen competition. The segment loss of the Lighting Business was approximately HK$7,290,000 for six months ended 30 June 2016 when compared to approximately HK$19,760,000 in the corresponding period in 2015, representing a decrease of 63%.

As a result of the continuing non-performance of the Lighting Business shown by its continuous loss making position as well as the expected decrease in its revenue growth, full impairment of the relevant goodwill and intangible assets and partial impairment of the relevant property, plant and equipment were made as at 31 December 2015. No further impairment indicator was noted for the relevant property, plant and equipment of the Lighting Business for the period under review.

OUTLOOK

Integrated Resort Development

The phase one development of both the hotels and the theme park facilities located in zone A is expected to be completed in the third quarter of 2017. It is expected that both facilities will soft open subsequently upon the issue of the relevant temporary occupation permits. The details of the development of accommodation facilities of the Jeju Project are separately set out in the sub-title of "Property Development" under this section. The entire project is expected to be completed by 2019. When completed, the Jeju Project will be a world-class destination resort that has premium leisure and entertainment facilities catering for local and overseas visitors of all ages, and is expected to be one of the most popular tourism destinations in Asia.

Jeju Province is blessed with beautiful natural sceneries and landscapes and surrounded by clean beaches. Taking into account other advantageous factors, including, among others: (i) favorable visa/immigration policies for Chinese inbound travelers; (ii) the close proximity between Mainland China and South Korea; (iii) improved direct access via flights and cruises; and (iv) intensive tourism promotion campaign in South Korea, the Company is optimistic about the growing tourism in South Korea, especially in Jeju. With all essential elements mentioned, Jeju Province is undoubtedly an ideal holiday paradise with much potential for tourism expansion. Also, given the increasing number of tourists visiting Jeju with limited supply of hotel and accommodation facilities and lack of extensive and diversified entertainment facilities, large scale integrated resort like the Jeju Project, as one of the six core projects in Jeju, can definitely poach a market share in the expanding tourism in Jeju and truly satisfy the tourist needs.

The Company believes nowadays tourists are no longer satisfied with simple and traditional tourist services. Instead, they are progressively turning towards pursuing an experience that combines shopping, dining, gaming and business that can only be provided by a world-class integrated entertainment resort. As such, it is considered that integrated resort and related hospitality industry is of great prospect and high potential for business gains and returns. To capitalise on the Group's experience and expertise in the development of integrated resort gained and accumulated through the Jeju Project and to achieve the Group's business vision of becoming a leading player in the tourism, leisure and entertainment industry, it is the Company's plan to pursue a growth strategy in this line of business by further investing in integrated resort developments in other areas where the management considered to be of strong potential. Among others, Jeju Province is one of the preferred places considering that the Group has already established its local office and work force in Jeju, has its established relationship with the local government and community and is familiarized with the local regulations and culture, as well as other advantages and potentials of Jeju Province for tourism expansion as mentioned above. The Group will continue to review and research on the available market opportunities and will conduct suitable research and feasibility study before embarking on this expansion plan.

Gaming Business

The Group currently owns and operates the Landing Casino in Jeju and the Les A Club in London.

Jeju, South Korea

Given the great potential of the tourism of South Korea as mentioned above, the gaming industry in South Korea is expected to gain advantage from such booming tourism. The Group aims to build up its own brand name of Landing Casino and develop it to become one of the landmarks of Jeju, South Korea.

London, the UK

The Les A Club has an international customer base comprising mainly ultra-high net worth individual customers. Like other Mayfair casinos, the Les A Club has been able to gain an international competitive advantage from the reputation of the UK gaming industry for strong regulation, transparency, fairness and integrity. After the acquisition, the Les A Club has continued its efforts in expanding its Asian customer base to complement its more traditional strength with European and Middle Eastern customers.

Taking into account the market position, strengths and uniqueness of the Les A Club, it is considered that the Les A Club will allow the Group to step up its presence in the global gaming industry and to enhance the future earning capability and potential of the Group.

Property Development

The construction works of the accommodation facilities at zone R of the Jeju Project are planned to be completed in early 2017 and the second stage of pre-sale is expected to be launched in the fourth quarter of 2016. The actual completion date and pre-sale progress depend on and will be affected by the construction progress, market environment and other factors.

Lighting Business

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, since 2013, competition in the LED lighting industry has been getting keener, LED products are under immense pricing pressure due to the oversupply situation. The Company expects that the unfavorable market trend of the LED lighting industry will continue, and so it has been diversifying its operations into various businesses and is now focusing its resources and efforts in the Integrated Resort Development and the Gaming Business. In view of the downturn of the LED lighting industry, the Company will closely monitor the market and adjust the pricing strategy to improve the performance of the Lighting Business or consider the possibility of downsizing or disposal of the Lighting Business.

The Company will pay close attention to the performance of its existing businesses. At the same time, the management will proactively seek for any investment opportunity in the existing or other businesses with promising prospect and/or companies with profitability track record such that the Company's income base could be broadened and diversified.

In addition, the Company will keep looking for fund raising opportunities to further strengthen the financial position of the Group as and when appropriate. As at the date of this announcement, the Company has not yet identified any suitable fund raising opportunity.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2016, the Group had non-current assets of approximately HK$4,958,229,000 (31 December 2015: HK$2,549,296,000) and net current assets of approximately HK$6,656,000,000 (31 December 2015: HK$8,491,494,000). The current ratio, expressed as the ratio of the current assets of approximately HK$9,892,752,000 (31 December 2015: HK$8,859,379,000) over the current liabilities of approximately HK$3,236,752,000 (31 December 2015: HK$367,885,000), was 3.06 as at 30 June 2016 (31 December 2015: 24.08). The significant decrease in current ratio was mainly due to the increase in short-term bank and other borrowings of approximately HK$2,287,974,000 during the period. The significant decrease in net current assets was mainly due to the cash from other borrowings being applied for additions of property, plant and equipment and intangible asset through the Club Acquisition.

As at 30 June 2016, the Group had trade and other receivables of approximately HK$1,723,582,000 (31 December 2015: HK$895,187,000), trade and other payables of approximately HK$807,531,000 (31 December 2015: HK$288,454,000), current bank and other borrowings with fixed interest rate of approximately HK$87,565,000 denominated in Renminbi ("**RMB**") (31 December 2015: HK$83,591,000) and HK$2,284,000,000 denominated in HK dollar (31 December 2015: Nil). Total liabilities amounted to approximately HK$4,918,572,000 as at 30 June 2016 (31 December 2015: HK$1,720,275,000). The Group's gearing ratio, which was measured on the basis of the Group's total liabilities divided by total assets, was 33.1% (31 December 2015: 15.1%).

As at 30 June 2016, the Group had cash and bank balances of approximately HK$5,226,427,000, with approximately HK$25,173,000, HK$2,680,475,000 and HK$272,519,000 held in RMB, Korean Won and Pounds Sterling respectively and the remaining held in HK dollar and other currencies (31 December 2015: approximately HK$5,191,990,000, with approximately HK$27,843,000 and HK$1,139,376,000 held in RMB and Korean Won respectively and the remaining held in Hong Kong dollar and United States dollar). There is no material difference in the cash and bank balances, mainly due to the combined effect of cash from other borrowings and cash used for the payments of consideration for the Club Acquisition and operation of the Gaming Business.

CAPITAL STRUCTURE

As at 30 June 2016, 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 2016, the Group had capital commitment of approximately HK$6,055,279,000 (31 December 2015: approximately HK$1,992,236,000) in respect of the property development, purchase of production equipment and expansion of production lines.

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

CONTINGENT LIABILITY

As at 30 June 2016, the Group did not have any material contingent liability (31 December 2015: nil).

SEGMENT INFORMATION

Details of segment information of the Group for the six months ended 30 June 2016 are set out in note 6 to the condensed consolidated interim financial information.

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 HK dollar, RMB, Korean Won, Pounds Sterling and United States dollar. Currently, the Group has not entered into any agreement to hedge against the foreign exchange risk. In view of the fluctuation of RMB, Korean Won, Pounds Sterling and United States dollar in recent years, the Group will continue monitoring the situation closely and will introduce suitable measures as and when appropriate.

The Group had limited exposure to interest rate fluctuation on bank and other borrowings and amount due to a non-controlling interest as at 30 June 2016, as the interest rates of the bank and other borrowings and amount due to a non-controlling interest are fixed throughout their respective loan term.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSAL

Securities Investments

As at 30 June 2016, the Group was holding listed equity investments at a fair value of approximately HK$475,749,000, which were classified as financial assets at FVTPL of the Group. Due to the downward movements of the share prices, unrealised loss in respect of such investments of approximately HK$152,395,000 was recorded in profit or loss during the six months ended 30 June 2016.

As at 30 June 2016, the Group was holding an unlisted investment fund at a fair value of approximately HK$812,774,000, which was classified as financial asset at FVTPL of the Group. Due to downward movements of the fund price, unrealised loss in respect of such investment of approximately HK$134,966,000 was recorded in profit or loss during the six months ended 30 June 2016.

Acquisition

The Club Acquisition

On 7 December 2015, United Time Corporation Limited ("**United Time**"), an indirect wholly-owned subsidiary of the Company, as the purchaser, the Company as the purchaser guarantor, Twinwood as the seller and Bluestream Holdings Limited as the seller guarantor entered into the sale and purchase agreement, pursuant to which United Time has conditionally agreed to acquire and Twinwood has conditionally agreed to sell the entire issued share capital of Les A at the base consideration of £137,000,000 (subject to adjustments) (equivalent to approximately HK$1,542,765,000).

As one or more of the relevant percentage ratios applicable to the Company exceed 100%, the entering into of the Club Acquisition constituted a very substantial acquisition of the Company under Chapter 14 of the Listing Rules, and was therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. The relevant resolutions were duly approved by the shareholders of the Company by way of poll at the special general meeting held on 27 April 2016. The Club Acquisition was completed on 28 April 2016. Details of which have been disclosed in the circular of the Company dated 8 April 2016 and announcements of the Company dated 27 April 2016 and 28 April 2016.

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

The Company will make further announcement and comply with the relevant requirement under the Listing Rules as and when appropriate in case there is any investment(s) being identified and entered into by the Group. The Company does not rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising opportunities arise in order to support future developments and/or investments of the Group and the Company will comply with the Listing Rules, where applicable, in this regard.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 28 to the condensed consolidated interim financial information and mentioned elsewhere in this announcement, there was no other significant event after the reporting period up to the date of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2016, the Group had around 1,400 (2015: 900) full-time employees (including management, administrative staff and production workers), with total staff costs amounted to approximately HK$200,862,000 (2015: HK$60,958,000) for the period under review. Most of the employees were stationed in South Korea, the UK and the PRC 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. The Group also offers variety of training schemes to its employees.

DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2016 (six months ended 30 June 2015: nil).

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

Save for Mr. Yang, the chairman and executive Director, being the ultimate shareholder of a company, which holds a land and is in the process of applying relevant plan for integrated resort development, 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 business, as at the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2016, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

CORPORATE GOVERNANCE

Throughout the six months ended 30 June 2016, 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 Transactions by Directors of the Listed Issuers (the "**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 30 June 2016.

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 Mr. Bao Jinqiao, the independent non-executive Directors of the Company. The Audit Committee has reviewed with the management 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 interim financial information for the six months ended 30 June 2016.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises Mr. Yang Zhihui (Chairman) and Ms. Zhou Xueyun as executive Directors and Mr. Fok Ho Yin, Thomas, Mr. Chen Lei and Mr. Bao Jinqiao as independent non-executive Directors.

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

Hong Kong, 22 August 2016

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