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 FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

The board of directors (the "**Directors**") (the "**Board**") of Landing International Development Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (together, the "**Group**") for the year ended 31 December 2016.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2016

	Note	**2016**	2015
		HK$'000	*HK$'000*
Revenue	*3*	**1,720,647**	246,500
Other (losses)/gains, net	*4*	**(10,534)**	5,022
Gaming duties and other related taxes		**(417,841)**	(4,057)
Commission and allowances to gaming counterparties		**(108,609)**	(7,519)
Raw material and consumables used		**(165,264)**	(168,505)
Amortisation and depreciation		**(81,472)**	(57,926)
Employee benefit expenses		**(467,681)**	(169,396)
Other operating expenses		**(962,238)**	(214,816)
Changes in fair values of financial assets at fair value through profit or loss ("**FVTPL**")		**(665,334)**	(212,756)
Changes in fair values of investment properties		**(45,956)**	31
Impairment of goodwill		**–**	(16,135)
Impairment of intangible assets		**–**	(46,180)
Impairment of property, plant and equipment		**–**	(56,676)
Impairment of trade and other receivables		**(155,503)**	(215,004)
Loss on step acquisition		**–**	(40,262)
Gain/(loss) on disposal of subsidiaries		**144**	(69,808)
Finance income	*6*	**49,514**	16,817
Finance costs	*6*	**(4,469)**	(78,678)
Loss before income tax	*5*	**(1,314,596)**	(1,089,348)
Income tax (expenses)/credit	*7*	**(6,820)**	3,134
Loss for the year		**(1,321,416)**	(1,086,214)
Loss attributable to:			
Owners of the Company		**(1,067,455)**	(987,971)
Non-controlling interests		**(253,961)**	(98,243)
		(1,321,416)	(1,086,214)
Loss per share attributable to owners of the Company:			(Restated)
Basic and diluted	*8*	**HK(5.19) cents**	HK(9.34) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	2016	2015
	HK$'000	*HK$'000*
Loss for the year	**(1,321,416)**	(1,086,214)
Other comprehensive income/(loss)		
Items that will not be subsequently reclassified to profit or loss:		
Remeasurements of employee benefit obligations	**(285)**	–
Items that have been reclassified or may be subsequently reclassified to profit or loss:		
Imputed interest on amounts due to a shareholder	**193,993**	–
Currency translation differences	**(450,718)**	(203,631)
Realisation of translation reserve upon disposal of subsidiaries	**25**	21,414
	(256,985)	(182,217)
Total comprehensive loss for the year	**(1,578,401)**	(1,268,431)
Total comprehensive loss attributable to:		
Owners of the Company	**(1,279,646)**	(1,123,954)
Non-controlling interests	**(298,755)**	(144,477)
	(1,578,401)	(1,268,431)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2016

	Note	2016 HK$'000	2015 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	*10*	**3,437,671**	1,689,470
Investment properties		**239,800**	55,000
Prepaid land lease payments		**13,868**	14,568
Goodwill		**419,045**	5,438
Intangible assets		**1,734,441**	784,820
Deposits	*11*	**21,037**	–
Investment in a joint venture		**–**	–
Investment in an associate		**–**	–
Deferred income tax assets		**11,763**	–
Available-for-sale financial asset		**117,000**	–
		5,994,625	2,549,296
Current assets			
Inventories		**52,057**	45,719
Properties under development		**2,079,841**	1,135,733
Trade and other receivables	*11*	**1,495,283**	895,187
Amount due from a joint venture		**87,116**	–
Financial assets at FVTPL		**859,095**	1,575,884
Income tax recoverable		**2,715**	14,866
Cash and cash equivalents		**6,774,501**	5,191,990
		11,350,608	8,859,379
Total assets		**17,345,233**	11,408,675
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**2,056,588**	2,056,588
Reserves		**5,896,689**	7,176,335
		7,953,277	9,232,923
Non-controlling interests		**1,147,864**	455,477
Total equity		**9,101,141**	9,688,400

	Note	**2016**	2015
		HK$'000	*HK$'000*
LIABILITIES			
Non-current liabilities			
Other payables	*12*	**9,402**	4,160
Other borrowings		**195,250**	–
Amounts due to a non-controlling interest		**1,376,959**	1,342,125
Amounts due to a shareholder	*13*	**5,361,193**	–
Deferred income tax liabilities		**181,733**	6,105
		7,124,537	1,352,390
Current liabilities			
Trade and other payables	*12*	**875,506**	284,294
Bank and other borrowings		**230,609**	83,591
Income tax payable		**13,440**	–
		1,119,555	367,885
Total liabilities		**8,244,092**	1,720,275
Total equity and liabilities		**17,345,233**	11,408,675

Notes:

1 GENERAL INFORMATION

Landing International Development Limited (the "**Company**") and its subsidiaries (together the "**Group**"), are principally engaged in development and operation of the integrated leisure and entertainment resort (the "**Integrated Resort Development**"); gaming 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 Company is a limited liability company incorporated in the Cayman Islands and continued in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of registered office is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, and the principal place of business of the Company is located at Suites 5801–04, 58 Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. The holding company and the ultimate holding company of the Company is Landing International Limited, which is incorporated in the British Virgin Islands.

These consolidated financial statements are presented in thousands of units of Hong Kong dollars (HK$'000), unless otherwise stated.

2 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRS**"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial asset, financial assets at FVTPL and investment properties, which are carried at fair values.

The preparation of these consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

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

During the year, the Board has performed a review of the content and presentation of the consolidated 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 Ambassadeurs Club Limited ("**Les A**") during the year, 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 income statement 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 consolidated financial statements.

2.1.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2016:

- Accounting for acquisitions of interests in joint operations — Amendments to HKFRS 11
- Clarification of acceptable methods of depreciation and amortisation — Amendments to HKAS 16 and HKAS 38
- Annual improvements to HKFRSs 2012–2014 cycle, and
- Disclosure initiative — amendments to HKAS 1.

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

(b) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

(i) HKFRS 9, 'Financial instruments'

The new standard 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 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 FVTPL 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 an 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.

HKFRS 9 must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed HKFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The Group does not intend to adopt HKFRS 9 before its mandatory date.

(ii) HKFRS 15, 'Revenue from contracts with customers'

The Hong Kong Institute of Certified Public Accountants has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers contracts for goods and 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.

Management is currently assessing the effects of applying the new standard on the Group's consolidated financial statements and has identified the following areas that are likely to be affected:

- Revenue from service — the application of HKFRS 15 may result in the identification of separate performance obligations which could affect the timing of the recognition of revenue;

- Accounting for certain costs incurred in fulfilling a contract — certain costs which are currently expensed may need to be recognised as an asset under HKFRS 15; and

- Rights of return — HKFRS 15 requires separate presentation on the consolidated statement of financial position of the right to recover the goods from the customer and the refund obligation.

At this stage, the Group has commenced an assessment of the impact of other new, revised and amended standards and interpretations to existing standards, but is not yet in a position to state whether they would have a significant impact on its results of operations and financial position.

HKFRS 15 is mandatory for financial years commencing on or after 1 January 2018. At this stage, the Group does not intend to adopt the standard before its effective date.

(iii) HKFRS 16, 'Leases'

HKFRS 16 will result in almost all leases being recognised on the consolidated statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK$1,743,602,000. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The new standard is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

Other than mentioned above, there are no other HKFRSs or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

(c) Correction of prior year error

The basic and diluted loss per shares for the year ended 31 December 2015 have been restated due to the correction of calculation of the weighted average number of shares in issue for the year ended 31 December 2015, which should be 10,572,327,000 Shares (previously reported: 1,275,422,000 Shares) (Note 8).

The effect of the restatement is summarised below:

Consolidated statement of comprehensive income for the year ended 31 December 2015

	2015 (Restated)	2015 (Previously reported)
Basic and diluted loss per share	HK(9.34) cents	HK(77.46) cents

3 SEGMENT INFORMATION

The executive directors are the Group's Chief Operating Decision-Maker ("**CODM**"). Management has determined the operating segments based on the reports reviewed by the 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 allocating resources and assessing performance. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit or loss before income tax. The adjusted profit or loss before tax is measured consistently with the Group's loss before income tax except that finance income, finance costs, changes in fair values of financial assets at FVTPL, changes in fair values of investment properties, gain/(loss) on disposal of subsidiaries as well as head office and corporate income and expenses are excluded from such measurement.

Segment assets exclude cash and cash equivalents, financial assets at FVTPL, income tax recoverable, investment properties, amount due from a joint venture, available-for-sale financial asset, deferred income tax assets and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude bank and other borrowings, amounts due to a non-controlling interest and a shareholder, income tax payable, deferred income tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Year ended 31 December 2016

	Integrated Resort Development *HK$'000*	Gaming Business *HK$'000*	Property Development *HK$'000*	Lighting Business *HK$'000*	Total *HK$'000*
Segment revenue:					
Sales to external customers	–	1,490,989	–	229,658	1,720,647
Segment results	(93,571)	129,251	(404,640)	5,903	(363,057)
Reconciliation:					
Finance income and unallocated income					57,465
Corporate and other unallocated expenses, net					(293,389)
Changes in fair values of financial assets at FVTPL					(665,334)
Changes in fair values of investment properties					(45,956)
Gain on disposal of subsidiaries					144
Finance costs					(4,469)
Loss before income tax					(1,314,596)
Segment assets	2,620,480	3,636,663	2,079,841	213,197	8,550,181
Reconciliation:					
Amount due from a joint venture					87,116
Financial assets at FVTPL					859,095
Available-for-sale financial asset					117,000
Cash and cash equivalents					6,774,501
Investment properties					239,800
Income tax recoverable					2,715
Deferred income tax assets					11,763
Other unallocated assets					703,062
Total assets					17,345,233
Segment liabilities	375,561	399,703	–	85,689	860,953
Reconciliation:					
Amounts due to a shareholder					5,361,193
Amounts due to a non-controlling interest					1,376,959
Bank and other borrowings					425,859
Deferred income tax liabilities					181,733
Income tax payable					13,440
Other unallocated liabilities					23,955
Total liabilities					8,244,092
Other segment information:					
Depreciation and amortisation	8,610	28,558	–	4,484	41,652
Write-down of inventories to net realisable value	–	–	–	2,649	2,649
Impairment of trade and other receivables, net	–	151,017	–	4,486	155,503

Year ended 31 December 2015

	Integrated Resort Development *HK$'000*	Gaming Business *HK$'000*	Property Development *HK$'000*	Lighting Business *HK$'000*	Total *HK$'000*
Segment revenue:					
Sales to external customers	–	17,397	–	229,103	246,500
Segment results	(62,604)	(73,584)	(82,228)	(142,848)	(361,264)
Reconciliation:					
Finance income and unallocated income					30,830
Corporate and other unallocated expenses, net					(357,441)
Changes in fair values of financial assets at FVTPL					(212,756)
Change in fair value of an investment property					31
Loss on disposal of subsidiaries					(69,808)
Loss on step acquisition					(40,262)
Finance costs					(78,678)
Loss before income tax					(1,089,348)
Segment assets	991,909	986,752	1,135,733	244,493	3,358,887
Reconciliation:					
Cash and cash equivalents					5,191,990
Financial assets at FVTPL					1,575,884
Investment property					55,000
Income tax recoverable					14,866
Other unallocated assets					1,212,048
Total assets					11,408,675
Segment liabilities	35,377	95,515	–	123,066	253,958
Reconciliation:					
Amounts due to a non-controlling interest					1,342,125
Bank and other borrowings					83,591
Deferred income tax liabilities					6,105
Other unallocated liabilities					34,496
Total liabilities					1,720,275
Other segment information:					
Depreciation and amortisation	5,081	2,398	6,172	20,956	34,607
Write-down of inventories to net realisable value	–	–	–	12,437	12,437
Impairment of goodwill	–	–	–	16,135	16,135
Impairment of intangible assets	–	–	–	46,180	46,180
Impairment of property, plant and equipment	–	–	–	56,676	56,676
Impairment of trade and other receivables, net	–	–	–	5,004	5,004

Geographical Information

(a) Revenue from external customers

	For the year ended 31 December	
	2016	2015
	HK$'000	*HK$'000*
Mainland China	**148,119**	159,752
South Korea	**411,133**	17,397
United Kingdom	**1,127,542**	–
Others	**33,853**	69,351
	1,720,647	246,500

(b) Non-current assets

	2016	2015
	HK$'000	*HK$'000*
Mainland China	**84,924**	87,216
South Korea	**2,842,212**	1,204,458
United Kingdom	**133,066**	–
Hong Kong	**631,137**	467,364
	3,691,339	1,759,038

The non-current assets information above is based on the locations of the assets and excludes goodwill, intangible assets, deposits, available-for-sale financial asset, deferred income tax assets, investment in a joint venture and investment in an associate.

Information about a major customer

During the year ended 31 December 2016, three of the external customers contributed over 10% of the Group's total revenue. The revenue generated from these customers was amounted to HK$667,239,000.

During the year ended 31 December 2015, one of the external customers contributed over 10% of the Group's total revenue. The revenue generated from this customer was amounted to HK$30,913,000.

The Group's revenue consists of the following:

	For the year ended 31 December	
	2016	2015
	HK$'000	*HK$'000*
Revenue		
Sale of goods	**229,658**	229,103
Gaming revenue	**1,490,989**	17,397
	1,720,647	246,500

4 OTHER (LOSSES)/GAINS, NET

	For the year ended 31 December	
	2016	2015
	HK$'000	*HK$'000*
Exchange losses, net	**(12,410)**	(1,855)
Government subsidies	**3,869**	375
Management fee income	**2,400**	–
Dividend income*	**2,265**	4,076
Loss on disposal of property, plant and equipment	**(10,051)**	(275)
Others	**3,393**	2,701
	(10,534)	5,022

* Dividend income represented dividend shares received from equity investments.

5 LOSS BEFORE INCOME TAX

	For the year ended 31 December	
	2016	2015
	HK$'000	*HK$'000*
The loss before income tax is arrived at after charging:		
Write-down of inventories to net realisable value	**2,649**	12,437
Auditor's remuneration		
— Audit services	**3,500**	1,219
— Non-audit services	**3,037**	1,046
Minimum lease payments under operating leases of land and buildings	**56,369**	14,071
Promotion expenses	**23,219**	17,467
Aircraft operating expenses	**33,150**	37,031
Legal and professional fees	**117,849**	49,055
Sales and marketing expenses	**419,663**	18,634

6 FINANCE INCOME/(COSTS), NET

	For the year ended 31 December	
	2016	2015
	HK$'000	*HK$'000*
Interest expenses:		
— Bank borrowings	**(4,469)**	(5,575)
— Other borrowings	**(62,992)**	(62,483)
— Amounts due to a non-controlling interest	**(66,435)**	(56,957)
— Imputed interest on amounts due to a shareholder	**(18,551)**	–
— Finance lease liabilities	**–**	(10,620)
	(152,447)	(135,635)
Less: amounts capitalised on qualifying assets	**147,978**	56,957
Finance costs	**(4,469)**	(78,678)
Interest income:		
— Bank interest income	**17,893**	12,540
— Other interest income	**31,621**	4,277
Finance income	**49,514**	16,817
Finance income/(costs), net	**45,045**	(61,861)
Weighted average interest rate on capitalised borrowings (per annum)	**10%**	6%

7 INCOME TAX (EXPENSES)/CREDIT

No Hong Kong profits tax has been provided as the Group did not generate any assessable profits arising in Hong Kong during the year ended 31 December 2016 (2015: same). Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The People's Republic of China (the "**PRC**") enterprise income tax has been provided at the applicable rate of 15% (2015: 15%) on the profits of the Group's operations in the PRC as the operating entities in the PRC were assessed as High and New Technology Enterprise.

South Korea corporate tax has been provided at the rates of 11% on the first KRW200 million of the tax base, 22% up to KRW20 billion and 24.2% for amounts over KRW20 billion on the estimated assessable profits of the Group's operations in South Korea (2015: same).

United Kingdom corporate tax has been provided at the rate of 20% (2015: 20%) on the estimated assessable profit of the Group's operations in United Kingdom.

	For the year ended 31 December	
	2016	2015
	HK$'000	*HK$'000*
Current tax:		
South Korea Corporate Tax	**6,772**	3,458
United Kingdom Corporate Tax	**6,558**	–
Over-provision in prior years:		
PRC Enterprise Income Tax	**(128)**	(174)
United Kingdom Corporate Tax	**(2,714)**	–
South Korea Corporate Tax	**(182)**	–
	10,306	3,284
Deferred tax	**(3,486)**	(6,418)
Income tax expenses/(credit)	**6,820**	(3,134)

8 LOSS PER SHARE

The basic and diluted loss per share for the year ended 31 December 2015 have been restated due to the correction on calculation of the weighted average number of ordinary shares in issue.

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	For the year ended 31 December	
	2016	2015
	HK$'000	*HK$'000*
Loss attributable to owners of the Company	**(1,067,455)**	(987,971)
	2016	2015
	No. of shares	No. of shares
	'000	*'000*
		(Restated)
Weighted average number of ordinary shares in issue	**20,565,879**	10,572,327
Basic loss per share	**HK(5.19) cents**	HK(9.34) cents

(b) Diluted

Diluted loss per share for the year ended 31 December 2016 and 2015 were the same as the basic loss per share as there were no potential dilutive ordinary shares outstanding during the year. (2015 (Restated): same)

9 DIVIDENDS

The Directors did not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: Nil).

10 PROPERTY, PLANT AND EQUIPMENT

During the year ended 31 December 2016, the Group had additions of property, plant and equipment at a total cost of approximately HK$1,431,796,000 (2015: HK$638,371,000).

11 TRADE AND OTHER RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Trade receivables	**121,914**	132,748
Bills receivables	**3,234**	241
Less: provision for impairment of trade receivables	**(37,670)**	(36,633)
Trade and bills receivables, net *(Note i)*	**87,478**	96,356
Other receivables	**48,387**	66,241
Receivables from gaming customers *(Note ii)*	**1,201,925**	110,550
Promissory note *(Note iii)*	**–**	245,000
Prepayments	**61,320**	265,069
VAT recoverable	**82,459**	49,663
Deposits	**34,751**	62,308
	1,516,320	895,187
Trade and other receivables	**1,516,320**	895,187
Less: Non-current deposits	**(21,037)**	–
	1,495,283	895,187

Notes:

(i) Trade and bills receivables

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk and overdue balances are reviewed regularly by senior management.

In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest bearing.

The ageing analysis of the trade and bills receivables based on the invoice date and net of provisions are as follows:

	2016	2015
	HK$'000	*HK$'000*
Within 30 days	**34,781**	28,175
31 to 60 days	**15,428**	17,965
61 to 90 days	**11,219**	13,854
Over 90 days	**26,050**	36,362
	87,478	96,356

As at 31 December 2016, trade receivables of HK$67,973,000 (2015: HK$63,153,000) were fully performing. The credit quality of these trade receivables has been assessed with reference to historical information about the counterparty default rates. The existing counterparties did not have defaults in the past.

As at 31 December 2016, trade receivables of HK$19,505,000 (2015: HK$33,203,000) were past due but not impaired. These relate to a number of independent debtors for whom there is no recent history of default. The Group does not hold any collateral as security over these debtors. The ageing analysis of the trade receivables which are past due but not impaired is as follows:

	2016	2015
	HK$'000	*HK$'000*
Less than 1 month past due	**5,933**	18,245
1 to 3 months past due	**7,955**	13,305
Over 3 months	**5,617**	1,653
	19,505	33,203

The movements in provision for impairment of trade receivables are as follows:

	2016	2015
	HK$'000	*HK$'000*
At beginning of the year	**36,633**	33,204
Provision for impairment of trade receivables	**3,502**	5,454
Currency translation difference	**(2,465)**	(2,025)
At end of the year	**37,670**	36,633

The impaired trade receivables relate to customers that were in financial difficulties or were in default in principal payments and only a portion of receivables is expected to be recovered.

(ii) Receivables from gaming customers

	2016	2015
	HK$'000	*HK$'000*
Receivables from gaming customers	**1,352,942**	110,550
Provision for impairment	**(151,017)**	–
Receivables from gaming customers, net	**1,201,925**	110,550

As at 31 December 2016, receivables from gaming customers of HK$137,697,000 (2015: Nil) were fully performing. Receivables from gaming customers include receivables from individual gaming players, which are interest-free and repayable on demand. These balances are granted with reference to their credit history and track record of settlement.

As at 31 December 2016, receivables from gaming customers amounting to HK$151,017,000 (2015: Nil) were impaired and fully provided for.

The ageing analysis of the receivables from gaming customers which are past due but not impaired is as follows:

	2016	2015
	HK$'000	*HK$'000*
Less than 1 month past due	**2,465**	34,874
1 to 3 months past due	**186,859**	1,389
3 to 6 months past due	**518,202**	74,287
Over 6 months	**356,702**	–
	1,064,228	110,550

The remaining balances mainly relate to individual gaming players that have a good repayment track record with the Group. Based on recent track record of play, credit history and subsequent settlement by the individual players, management concluded no impairment is necessary for these balances and these balances are considered fully recoverable.

(iii) Promissory note

The amount represents part of the consideration receivable upon the disposal of subsidiaries during the year ended 31 December 2015. The amount carried interest at 15% per annum with a maturity date on 23 November 2016. The amount was fully settled in 2016.

12 TRADE AND OTHER PAYABLES

	2016	2015
	HK$'000	*HK$'000*
Trade payables	**79,039**	81,943
Bill payables	**–**	18,229
Pre-sale proceeds received from customers	**285,188**	–
Deposits received	**217,452**	7,501
Accrued operating expenses	**79,784**	81,989
Accrued employee benefits	**71,877**	42,827
Other tax payables	**35,987**	3,527
Other payables	**115,581**	52,438
Trade and other payables	**884,908**	288,454
Less: Non-current portion	**(9,402)**	(4,160)
Current portion	**875,506**	284,294

As at 31 December 2016, the ageing analysis of the trade payables based on the invoice date are as follows:

	2016	2015
	HK$'000	*HK$'000*
Within 30 days	**31,886**	26,053
31 to 60 days	**15,596**	13,357
61 to 90 days	**12,273**	12,057
Over 90 days	**19,284**	30,476
	79,039	81,943

13 AMOUNTS DUE TO A SHAREHOLDER

The amounts due to a shareholder with principal amount of approximately HK$5,536,635,000 are unsecured, interest-free and repayable in 2018. The amounts are denominated in US$ and are carried at amortised cost of approximately HK$5,361,193,000 using the prevailing market rate as at 31 December 2016.

14 SUBSEQUENT EVENTS

(i) Acquisition of Callisto Business Limited ("Callisto") and its subsidiaries (together, "Callisto Group") and Autumnglow Pte. Ltd. ("Autumnglow")

On 3 January 2017, the Company completed the acquisition of the entire issued share capital of Callisto Group and 50% issued share capital of Autumnglow (the "**Acquisition**") from the subsidiaries of Genting Singapore PLC ("**Genting Singapore**"). Prior to the Acquisition, Callisto Group was principally engaged in the investment holding of 50% issued share capital of Landing Jeju Development Co., Ltd. ("**Landing Jeju**") whereas Autumnglow was an associate of the Company, which has entered into the hotel operator agreement with Landing Jeju. Upon the completion of the Acquisition, Landing Jeju and Autumnglow became the wholly-owned subsidiaries of the Company.

(ii) Proposed capital reorganisation and rights issue

On 16 January 2017, the Company announced (a) the proposed capital reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK$0.09 on each of the issued ordinary shares of HK$0.10 each such that the nominal value of each issued new share would be HK$0.01; (b) the proposed sub-division on the basis that every unissued ordinary share of HK$0.10 each in the authorised but unissued share capital of the Company be sub-divided into ten new shares of HK$0.01 each; (c) the proposed change in board lot size for trading in the shares from 5,000 new shares to 60,000 shares upon completion of the proposed rights issue; and (d) the proposed rights issue on the basis of five rights shares for every one new share held at the subscription price of HK$0.05 per rights share. The proposed rights issue is expected to raise net proceeds of approximately HK$5,065 million. The net proceeds will be used for the partial repayment of the outstanding amounts due to a shareholder and for the working capital of the Group and repayments of other borrowings and relevant finance costs. Details were disclosed in the circular of the Company dated 24 February 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the year ended 31 December 2016, the Group's consolidated turnover was approximately HK$1,720,647,000, an increase of HK$1,474,147,000, or 5.98 times, compared to HK$246,500,000 for the year ended 31 December 2015. The significant increase was primarily due to the business volume from acquisition of gaming business in fourth quarter of 2015 and second quarter of 2016. A loss attributable to owners of the Company of approximately HK$1,067,455,000 (2015: loss of HK$987,971,000) was recorded. The increase in loss for the year when comparing to last year was mainly attributable to (i) changes in fair values of financial assets at FVTPL; (ii) increase in administrative expenses, mainly staff related cost, and sales and marketing expenses, incurred in the construction and pre-opening stages of the integrated resort development and property development; and (iii) increase in other operating and administrative expenses due to expansion of the Group. The basic and diluted loss per share was HK5.19 cents (2015 (Restated): basic and diluted loss per share of HK9.34 cents).

As at 31 December 2016, the consolidated net asset value per share attributable to owners of the Company was approximately HK$0.39 (2015: HK$0.45).

OPERATION AND BUSINESS REVIEW

The Company is an investment holding company, and during the year, the principal activities of the Group are (i) the Integrated Resort Development; (ii) the Gaming Business; (iii) the Property Development; and (iv) the Lighting Business.

Integrated Resort Development

We, through our subsidiary, Landing Jeju, started our investments in the Jeju Shinhwa World (the "**Jeju Project**", previously known as "**Myths and History Park**") in Jeju, South Korea in late 2013. Under the current development plan, the Jeju Project will house a 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; a waterpark and one of South Korea's most exciting retail and food complex. Its premium hotels will have more than 2,000 rooms, boasting luxurious villas 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 project will provide cultural facilities, leisure and entertainment amenities, as well as luxurious resort condominiums & villas. The Jeju Project, when completed, is expected to be an iconic mega tourist attraction in Asia.

Construction for phase one development of the hotels and the theme park has commenced in the first quarter and the second quarter of 2016 respectively, and more than 51% of the overall construction has been completed as at the date of this announcement. Details of the progress and status of the accommodation facilities of the Jeju Project are set out in the sub-title of "Property Development" under this section. Completion of the Jeju Project will take place progressively from the fourth quarter of 2017 onwards, and the entire project is expected to be completed by 2019.

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).

On 3 January 2017, we completed the acquisition of the entire issued share capital of Callisto ("**Callisto Acquisition**"). Callisto is an investment holding company having 100% equity interest in Happy Bay Pte. Ltd. ("**HBL**") which holds 50% equity interest in Landing Jeju. Upon completion of the Callisto Acquisition, Landing Jeju became a wholly-owned subsidiary of the Company. Complete ownership and control of the Jeju Project will provide us a good opportunity to work towards the achievement of our business vision of becoming one of the global leaders in the tourism, leisure and entertainment industry, enhance our flexibility on the development of the Jeju Project and facilitate to build up our presence and goodwill in the integrated resort and tourism sector.

Gaming Business

Jeju, South Korea

We completed our buyback of 50% of the shares of Magical Gains Holdings Limited ("**Magical Gains**"), together with its subsidiaries, the ("**Magical Gains Group**") from the then joint venture partner on 19 October 2015 ("**Landing Casino Acquisition**"), 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 our own brand name. For the year ended 31 December 2016, revenue of approximately HK$363,447,000 (19 October 2015 to 31 December 2015: HK$17,397,000) was generated from the business of Landing Casino.

Upon the completion of the buyback of Magical Gains Group, 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 31 December 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 United Kingdom ("**UK**")*

On 28 April 2016, we completed the acquisition of the entire issued share capital of Les A at the base consideration of GBP137,000,000 (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. Les A Club refined its practical gaming, culinary and concierge services to provide best-in-class, unparalleled experiences which enhanced target customer satisfaction and an expanded, loyal and proud workforce.

Upon the completion of the Club Acquisition on 28 April 2016, intangible asset of approximately HK$1,145,736,000, representing the fair value of the relevant casino license, and goodwill of approximately HK$488,778,000 were recorded. As at 31 December 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 31 December 2016, revenue of approximately HK$1,127,542,000 was generated from the business of the Les A Club.

Total Gaming Business segment profit of approximately HK$129,251,000 was generated from the business of the Landing Casino and the Les A Club for the year ended 31 December 2016.

To mitigate the risks in the operation of the Gaming Business, we have implemented appropriate internal control and compliance policies, especially in the areas of anti-money laundering and counter terrorist financial controls. We will continue to maintain effective controls and standards in the operation and management of our Gaming Business. Landing Casino was again ranked top among 17 casinos in Korea, with the outstanding rating in the 2016 Anti-Money Laundering Assessment conducted by Korea Financial Intelligence Unit of the Financial Services Commission, for two consecutive years.

Property Development

On 24 November 2015, we completed our 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 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 borne an interest rate of 15% per annum, and during 2016, relevant interest income of approximately HK$23,527,000 was earned. Before the completion of the Yueyang Disposal, the residential property units were under pre-sale and so no revenue had been recognised for the Property Development in 2015.

The construction works for the resort condominiums and villas in zone R of the Jeju Project, which started since year 2015, have been completed as at the date of this announcement and the occupation permit was obtained on 20 January 2017. The Certificate of Accommodation Business was granted on 9 March 2017, which allows Landing Jeju to operate resort condominium business. During 2015 and 2016, we obtained the pre-sale permits of the resort condominiums and villas in zone R. Such pre-sale commenced in April 2016 and received encouraging results and market interests. As at 31 December 2016, properties under development amounted to approximately HK$2,079,841,000 (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 slightly by 0.2% from approximately HK$229,103,000 for the year ended 31 December 2015 to approximately HK$229,658,000 for the year ended 31 December 2016. The segment results of the Lighting Business recorded profit of approximately HK$5,903,000 for the year ended 31 December 2016 while it recorded loss of approximately HK$142,848,000 for the year 2015. Loss in year 2015 was mainly attributable to impairment of relevant goodwill and intangible assets in the aggregate amount of approximately HK$62,315,000 and impairment of relevant property, plant and equipment in the amount of approximately HK$56,676,000 recognised in year 2015 while no relevant impairment this year.

OUTLOOK

Integrated Resort Development

The Group is focusing on the preparation of the Jeju Project's commencement of operations in the fourth quarter of 2017. The project, with a total area of over 2.5 million square meters, is expected to be one of South Korea's largest integrated resorts. Phase one construction work has been progressed smoothly and one of the hotels located in zone R with a restaurant is targeted to be available to welcome its guests in April to May of 2017. The hotel will be a luxury service hotel and will be operated by an international brand that caters the needs from international tourists. In zone A, the three zones themed by TUBAn Company Limited, one of Korea's premier 3D animation companies, and the entertainment zone designed by YG Entertainment, as well as food and beverage complex and casino will be opened in fourth quarter of 2017. The entire development is expected to be completed by 2019.

Landing Jeju has also hired many experienced professionals from various global operators in hospitality, entertainment and gaming sectors. With their strong experiences in their respective fields, the products and services in Jeju Project will be up to international standard and will provide a unique travel experience to all the tourists. The Group will also continue to work closely with the local government of Jeju, South Korea to ensure the smooth progress and completion of the Jeju Project. As one of the six core projects in Jeju, Jeju Project will become a world-class destination resort that has premium leisure and entertainment facilities which cater to local and overseas visitors of all age, and is expected to be one of the most popular tourism destinations in the North Asia after its commencement.

Gaming Business

The Group has completed the Club Acquisition on 28 April 2016 and become the sole owner of Les A Club, an exclusive and distinguished club in the UK. Together with Landing Casino, the Company now has one casino in Jeju, Korea and one casino in Mayfair, London and will continue the marketing efforts and continue to grow our presence in global markets. The Group intends to leverage on the casino operation resources of Jeju and London to further develop the customer base to enhance our "Landing" brand as a world-class brand in the gaming and entertainment industry.

Property Development

To leverage on management's experience on property market, the Group aims to provide high quality living environment for intelligence lifestyle. Occupation permit for the Jeju Project's resort condominiums and villas in zone R has been obtained, and the Company will host a ceremony for handing over the keys to buyers in March 2017. As of the date of this announcement, around one third of the overall resort condominiums and villas in zone R has been pre-sold and buyers are mainly from Korea and China. This signified market's recognitions on the effort to build a world-class premium properties. The Group will continue the marketing campaign to promote the sale of the properties and sell the rest of resort condominiums and villas in zone R in 2017.

Lighting Business

Despite the performance of the lighting business improved in 2016, the industry is still facing severe competition under the oversupply situation in the LED industry. The LED products, such as through-hole LED and LED piranha are mainly low end and thus it is losing advantages due to price pressure caused by low entry barrier of the industry.

The Directors expect that the unfavorable market trend of the LED lighting industry will continue, and so the Group has been diversifying its operations into various businesses and the Group is now focusing its resources and efforts in the Integrated Resort Development, Gaming business and the Property Development. In view of the downturn of the LED lighting industry, the Group 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 global market is changing rapidly in 2017, it is full of challenges but also opportunities. The Group will review the performance of the existing business and proactively seek for any investment project that provides promising prospect with profitability track record to diversify the income base and generate the best return.

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 31 December 2016, the Group had non-current assets of approximately HK$5,994,625,000 (2015: HK$2,549,296,000) and net current assets of approximately HK$10,231,053,000 (2015: HK$8,491,494,000). The current ratio, expressed as the ratio of the current assets over the current liabilities, was 10.1 as at 31 December 2016 (2015: 24.1). The significant decrease in current ratio is mainly due to the significant increase in trade and other payable after the completion of the Club Acquisition and the receipt of the pre-sale proceed in Property Development business since 2016.

For the year ended 31 December 2016, there were provision for impairment of trade receivables amounting to approximately HK$3,502,000 (2015: HK$5,454,000) and provision for impairment of receivables from gaming customers (net) amounting to HK$151,017,000 (2015: HK$Nil), and these provisions mainly consisted of overdue receivables with long aging period and loss in credit to comply with the applicable accounting standards in accordance with the long outstanding loan and receivables. As at 31 December 2016, the Group had trade and other receivables of approximately HK$1,516,320,000 (2015: HK$895,187,000). As at 31 December 2016, the Group had bank balances and cash of approximately HK$6,774,501,000, with approximately HK$18,279,000 and HK$850,682,000 held in Renminbi ("**RMB**") and Korean Won respectively and the remaining held in Hong Kong dollar ("**HKD**"), UK Pound ("**GBP**") and United States dollar ("**USD**") (2015: HK$5,191,990,000, with approximately HK$40,104,000 and HK$1,738,191,000 held in RMB and Korean Won respectively and the remaining in mainly HKD and USD).

As at 31 December 2016, the Group had current trade and other payables of approximately HK$875,506,000 (2015: HK$284,294,000) and current bank borrowings in RMB with fixed and floating interest rate of approximately HK$78,192,000 (2015: HK$83,591,000), in HKD with fixed and floating interest rate of approximately HK$133,788,000 and in USD with floating interest rate of approximately HK$213,879,000, while total liabilities amounted to approximately HK$8,244,092,000 (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 47.5% (2015: 15.1%).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSAL

Securities Investments

As at 31 December 2016, the Group was holding listed equity investments at a fair value of approximately HK$462,070,000 (2015: HK$610,715,000), which were classified as financial assets at FVTPL of the Group. An unrealised loss in respect of such investments of approximately HK$170,874,000 (2015: unrealised gain of approximately HK$95,742,000) and a loss on disposal of approximately HK$127,490,000 (2015: HK$308,284,000) were recognised in profit or loss during the year.

As at 31 December 2016, the Group was holding an unlisted investment fund at a fair value of approximately HK$397,025,000 (2015: HK$965,169,000), which was classified as financial asset at FVTPL of the Group. Unrealised loss in respect of such investment of approximately HK$284,944,000 (2015: HK$214,000) and a loss on disposal of approximately HK$82,026,000 (2015: Nil) were recognised in profit or loss during the year.

As at 31 December 2016, the Group was holding another unlisted investment fund at a carrying amount of HK$117,000,000, which was classified as available-for-sale financial asset.

Acquisitions

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 Limited ("**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 GBP137,000,000 (subject to adjustments) (equivalent to approximately HK$1,542,765,000).

As one or more of the relevant percentage ratios applicable to the Company exceeds 100%, the Club Acquisition constituted a very substantial acquisition of the Company under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), and was therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. The Club Acquisition was approved by the shareholders of the Company on 27 April 2016.

The Club Acquisition was completed on 28 April 2016. Les A is the owner and operator of the Les A Club which is one of the most exclusive and distinguished gambling clubs in the UK located in the very heart of London's upscale Mayfair district. Details have been disclosed in the circular and announcement of the Company dated 8 April 2016 and 28 April 2016, respectively.

Callisto Acquisition and Autumnglow Acquisition

On 11 November 2016, the Company entered into a conditional sale and purchase agreement with Algona Pte. Ltd ("**Algona**") (the "**Callisto SPA**"), pursuant to which the Company has conditionally agreed to acquire and Algona has conditionally agreed to sell the entire issued share capital of Callisto at a consideration of USD380,760,000 (equivalent to approximately HK$2,952,611,000) plus the premium. Callisto, through Happy Bay Pte. Ltd, indirectly owns 50% of the issued share capital of Landing Jeju, a 50% owned subsidiary of the Company.

On 11 November 2016, Landing Singapore, a direct wholly owned subsidiary of the Company, also entered into the conditional sale and purchase agreement with Genting International Resorts Management Limited ("**GIRML**") (the "**Autumnglow SPA**"), pursuant to which Landing Singapore has conditionally agreed to acquire and GIRML has conditionally agreed to sell, 50% of the issued share capital of Autumnglow at a consideration of SGD1 ("**Autumnglow Acquisition**").

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the aggregate of the Callisto Acquisition and Autumnglow Acquisition are greater than 25% but less than 100% for the purpose of Chapter 14 of the Listing Rules, the transactions contemplated under the Callisto SPA and Autumnglow SPA constituted major transactions for the Company under the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements thereunder.

Algona was, through Callisto and HBL, a 50% shareholder of Landing Jeju, and GIRML is an associate (as defined in the Listing Rules) of Algona, and therefore, each of Algona and GIRML is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Callisto SPA and Autumnglow SPA constituted connected transactions under Chapter 14A of the Listing Rules, which were approved by the independent shareholders at a special general meeting held on 30 December 2016 and were subsequently completed on 3 January 2017. Details have been disclosed in the circular and announcement of the Company dated 13 December 2016 and 3 January 2017 respectively.

Saved as disclosed above, there was no other significant investment, material acquisition or disposal that should be notified to the shareholders of the Company during the year up to the date of this announcement.

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.

CAPITAL COMMITMENT

The Group had the following capital commitments at the end of the reporting period:

	2016	2015
	HK$'000	*HK$'000*
Contracted, but not provided for:		
Property, plant and equipment	**1,661,676**	1,085,686
Properties under development	**1,312,014**	906,550
Available-for-sale financial asset	**858,000**	–
	3,831,690	1,992,236

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

CONTINGENT LIABILITY

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

PLEDGE OF ASSETS

As at 31 December 2016, the following assets of the Group were pledged to certain banks or financial institutions to secure general banking facilities and other facilities payable granted to the Group:

	2016	2015
	HK$'000	*HK$'000*
Property, plant and equipment	**435,436**	50,920
Prepaid land lease payment	**14,234**	14,942
Investment properties	**239,800**	–

Save as disclosed above, the Group did not have any material charges on assets.

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 securities, 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 HKD, RMB, Korean Won, GBP and USD. Currently, the Group does not enter into any agreement to hedge against the foreign exchange risk. In view of the fluctuation of RMB, Korean Won, GBP and USD 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 borrowings and amounts due to a non-controlling interest as at 31 December 2016, as the interest rates of the bank borrowings and amount due to a non-controlling interest are fixed throughout their respective loan term.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2016, the Group had around 1,400 (2015: 900) full-time employees with total staff costs (including Directors remuneration) amounted to approximately HK$467,681,000 (2015: HK$169,396,000) including management and administrative staff and production workers. Most of the employees were stationed in Korea, 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.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption by the Company or any of its subsidiaries of any listed securities of the Company during the year ended 31 December 2016.

CORPORATE GOVERNANCE

The Company is committed to upholding a high standard of corporate governance practices and business ethics in the belief that they are essential for maintaining and promoting investors' confidence and maximising shareholders' returns. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of shareholders and comply with increasingly stringent local and international regulatory requirements, and fulfil its commitment to excellence in corporate governance. The Company has adopted and complied with the code provision set out in the Corporate Governance Code and Corporate Governance Reporting contained in Appendix 14 to the Listing Rules during the year ended 31 December 2016.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as its model code for securities transactions by the Directors. Following a specific enquiry to all Directors by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the year.

AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors: Mr. Fok Ho Yin, Thomas (Committee Chairman), Mr. Chen Lei and Mr. Bao Jinqiao. The Group's accounting principles and practices, financial statements and related materials for the year ended 31 December 2016 had been reviewed by the Audit Committee and agreed by the auditor of the Company. There is no disagreement between the Board and the Audit Committee during the year.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The annual report for the year ended 31 December 2016 containing all the information as required by the Listing Rules will be published on the websites of the Stock Exchange and the Company respectively and copies will be dispatched to shareholders of the Company in due course.

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

Hong Kong, 20 March 2017

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.

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