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 2014

The board of directors (the "**Directors**") (the "**Board**") of Landing International Development Limited (the "**Company**") is pleased to announce the consolidated results and financial position of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2014 together with the comparative figure as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	**2014** **HK$'000**	2013 HK$'000 (Re-presented)
REVENUE	*5*	**223,318**	181,075
Cost of sales		**(211,299)**	(143,371)
Gross profit		**12,019**	37,704
Other income and gains	*6*	**40,486**	4,595
Gains on deemed disposal of subsidiaries	*7*	**20,422**	–
Distribution and selling expenses		**(12,572)**	(7,745)
Administrative expenses		**(312,854)**	(77,126)
Impairment of goodwill	*13*	**(59,000)**	–
Impairment of trade and other receivables, net		**(8,313)**	(525)
Non-cash share option expenses		**(3,974)**	–
Finance costs	*8*	**(20,369)**	(95,529)
Share of profits and losses of:			
Joint ventures		**–**	–
Associate		**–**	–
LOSS BEFORE TAX	*9*	**(344,155)**	(138,626)

	Notes	**2014**	2013
		HK$'000	*HK$'000*
			(Re-presented)
LOSS BEFORE TAX	*9*	**(344,155)**	(138,626)
Income tax credit/(expense)	*10*	**1,499**	(3,571)
LOSS FOR THE YEAR		**(342,656)**	(142,197)
Attributable to:			
Equity holders of the Company		**(293,677)**	(137,147)
Non-controlling interests		**(48,979)**	(5,050)
		(342,656)	(142,197)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*12*		
			(Restated)
For loss for the year			
— Basic and diluted		**HK(1.76) cents**	HK(2.89) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	HK$'000	*HK$'000*
LOSS FOR THE YEAR	**(342,656)**	(142,197)
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(121,052)**	14,910
Deconsolidation of subsidiaries	**74,277**	–
Share of other comprehensive income of:		
Joint ventures	**–**	–
Associate	**–**	–
Net other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods and other comprehensive (loss)/income for the year, net of tax	**(46,775)**	14,910
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(389,431)**	(127,287)
Attributable to:		
Equity holders of the Company	**(326,167)**	(122,231)
Non-controlling interests	**(63,264)**	(5,056)
	(389,431)	(127,287)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Notes	**2014** ***HK$'000***	2013 *HK$'000* (Re-presented)
NON-CURRENT ASSETS			
Property, plant and equipment		**1,192,028**	187,568
Prepaid lease payments		**15,494**	15,975
Goodwill	*13*	**16,135**	75,135
Intangible assets		**57,176**	66,431
Interests in joint ventures	*14*	**876,132**	–
Investment in an associate		**–**	–
Deposit paid for acquisition of land		**–**	99,880
Total non-current assets		**2,156,965**	444,989
CURRENT ASSETS			
Inventories		**61,631**	65,423
Properties under development		**1,578,803**	658,434
Trade and other receivables	*15*	**427,229**	137,456
Tax recoverable		**2,284**	–
Restricted cash		**10,658**	–
Cash and bank balances		**1,655,667**	265,956
Total current assets		**3,736,272**	1,127,269
CURRENT LIABILITIES			
Trade and other payables	*16*	**389,614**	128,475
Deferred revenue		**84**	256
Interest-bearing bank and other borrowings	*17*	**89,676**	97,222
Due to the ultimate holding company	*18*	**–**	370,009
Due to a related company	*19*	**–**	123,273
Finance lease payables	*21*	**66,091**	–
Tax payables		**–**	3,236
Total current liabilities		**545,465**	722,471
NET CURRENT ASSETS		**3,190,807**	404,798
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,347,772**	849,787

	Notes	**2014** *HK$'000*	2013 *HK$'000* (Re-presented)
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,347,772**	849,787
NON-CURRENT LIABILITIES			
Due to a non-controlling interest	*20*	**598,826**	–
Deferred tax liabilities		**6,280**	8,281
Finance lease payables	*21*	**231,580**	–
Total non-current liabilities		**836,686**	8,281
Net assets		**4,511,086**	841,506
EQUITY			
Share capital	*22*	**186,963**	94,443
Reserves		**3,724,169**	674,041
Equity attributable to owners of the Company		**3,911,132**	768,484
Non-controlling interests		**599,954**	73,022
Total equity		**4,511,086**	841,506

Notes:

1. BASIS OF PRESENTATION

In the preparation of the Group's financial statements for the year ended 31 December 2014, the directors of the Company have given careful consideration to the future liquidity of the Group in light of (i) the Group incurred a loss attributable to equity holders of the Company of approximately HK$293,677,000 for the year ended 31 December 2014; and (ii) as at 31 December 2014, the Group has capital commitments of approximately HK$655,887,000, interest-bearing bank and other borrowings of approximately HK$89,676,000, amount due to a non-controlling interest of approximately HK$598,826,000 and finance lease payables of approximately HK$297,671,000. Based on the cash flow projections prepared by the management with reference to the current business and financing plans of the Group, the directors consider the Group will be able to finance its future working capital and fulfill its financial obligations as and when they fall due in the foreseeable future.

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

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. These financial statements have been prepared under the historical cost convention, except for certain of financial instruments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards and a new interpretation for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	*Investment Entities*
Amendments to HKAS 32	*Offsetting Financial Assets and Financial Liabilities*
Amendments to HKAS 39	*Novation of Derivatives and Continuation of Hedge Accounting*
HK(IFRIC)-Int 21	*Levies*
Amendment to HKFRS 2 included in *Annual Improvements 2010–2012 Cycle*	*Definition of Vesting Condition*[1]
Amendment to HKFRS 3 included in *Annual Improvements 2010–2012 Cycle*	*Accounting for Contingent Consideration in a Business Combination*[1]
Amendment to HKFRS 13 included in *Annual Improvements 2010–2012 Cycle*	*Short-term Receivables and Payables*
Amendment to HKFRS 1 included in *Annual improvements 2011–2013 Cycle*	*Meaning of Effective HKFRSs*

1 Effective from 1 July 2014

Except for the amendment to HKFRS 1 which is only relevant to an entity's first HKFRS Financial Statements, the nature and the impact of each amendment and interpretation is described below:

(a) Amendments to HKFRS 10 include a definition of an investment entity and provide an exception to the consolidation requirement for entities that meet the definition of an investment entity. Investment entities are required to account for subsidiaries at fair value through profit or loss rather than consolidated them. Consequential amendments were made to HKFRS 12 and HKAS 27 (2011). The amendments to HKFRS 12 also set out the disclosure requirements for investment entities. The amendments have had no impact on the Group as the Company does not qualify as an investment entity as defined in HKFRS 10.

(b) The HKAS 32 Amendments clarify the meaning of "currently has a legally enforceable right to set off" for offsetting financial assets and financial liabilities. The amendments also clarify the application of the offsetting criteria in HKAS 32 to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments have had no impact on the Group as the Group does not have any offsetting arrangement.

(c) The HKAS 39 Amendments provide an exception to the requirement of discontinuing hedge accounting in situations where over-the-counter derivatives designated in hedging relationships are directly or indirectly, novated to a central counterparty as a consequence of laws or regulations, or the introduction of laws or regulations. For continuance of hedge accounting under this exception, all of the following criteria must be met: (i) the novations must arise as a consequence of laws or regulations, or the introduction of laws or regulations; (ii) the parties to the hedging instrument agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties; and (iii) the novations do not result in changes to the terms of the original derivative other than changes directly attributable to the change in counterparty to achieve clearing. The amendments have had no impact on the Group as the Group has not novated any derivatives during the current and prior years.

(d) HK(IFRIC)-Int 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. The interpretation also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specified minimum threshold is reached. The interpretation has had no impact on the Group as the Group applied, in prior years, the recognition principles under HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* which for the levies incurred by the Group are consistent with the requirements of HK(IFRIC)-Int 21.

(e) The HKFRS 2 Amendment clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including (i) a performance condition must contain a service condition, (ii) a performance target must be met while the counterparty is rendering service; (iii) a performance target may relate to the operations or activities of an entity, or to those of another entity in the same group; (iv) a performance condition may be a market or non-market condition; and (v) if the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied. The amendment has had no impact on the Group.

(f) The HKFRS 3 Amendment clarifies that contingent consideration arrangements arising from a business combination that are not classified as equity should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of HKFRS 9 or HKAS 39. The amendment has had no impact on the Group.

(g) The HKFRS 13 Amendment clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has had no impact on the Group.

4. NEW AND REVISED HKFRSS AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKAS 1	*Disclosure Initiative* [2]
HKFRS 9	*Financial Instruments* [4]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* [2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception* [2]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations* [2]
HKFRS 14	*Regulatory Deferral Accounts* [5]
HKFRS 15	*Revenue from Contracts with Customers* [3]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation Amortisation* [2]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants* [2]
Amendments to HKAS 19	*Defined Benefit Plans: Employee Contributions* [1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements* [2]
Annual Improvements 2010–2012 Cycle	*Amendments to a number of HKFRSs* [1]
Annual Improvements 2011–2013 Cycle	*Amendments to a number of HKFRSs* [1]
Annual Improvements 2012–2014 Cycle	*Amendments to a number of HKFRSs* [2]

1 Effective for annual periods beginning on or after 1 July 2014
2 Effective for annual periods beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after 1 January 2017
4 Effective for annual periods beginning on or after 1 January 2018
5 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

In addition, the Hong Kong Companies Ordinance (Cap. 622) will affect the presentation and disclosure of certain information in the consolidated financial statements for the year ending 31 December 2015. The Group is in the process of making an assessment of the impact of these changes.

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

The amendments to HKAS 1 are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. The Group expects that the adoption of HKFRS 9 will have an impact on the classification and measurement of the Group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

The amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The Group expects to adopt the amendments from 1 January 2016.

The narrow-scope amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011) introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the standards.

The amendments to HKFRS 11 require that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a business must apply the relevant principles for business combinations in HKFRS 3. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to HKFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016.

HKFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. The Group expects to adopt HKFRS 15 on 1 January 2017 and is currently assessing the impact of HKFRS 15 upon adoption.

Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

The *Annual Improvements to HKFRSs 2010–2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Except for those described in note 3, the Group expects to adopt the amendments from 1 January 2015. None of the amendments are expected to have a significant financial impact on the Group. Details of the amendment most applicable to the Group are as follows:

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

5. OPERATING SEGMENT INFORMATION

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

The principal activities of each reportable segment are as follows:

(a) design, manufacturing and sale of the light-emitting diode ("**LED**") and semiconductor lighting related products (the "**Lighting Business**");

(b) property development (the "**Property Development**");

(c) development and operation of an integrated resort (the "**Integrated Resort Development**"); and

(d) casino business carried under a casino license (the "**Casino Business**")

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment loss, 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 interest income, finance costs, gains on deemed disposal of subsidiaries, share of profits and losses of joint ventures and associate as well as head office and corporate income and expenses are excluded from such measurement.

Year ended 31 December 2014

	Lighting Business *HK$'000*	Property Development *HK$'000*	Integrated Resort Development *HK$'000*	Casino Business *HK$'000*	Total *HK$'000*
Segment revenue:					
Sales to external customers	**201,951**	**–**	**–**	**21,367**	**223,318**
Segment results	**(76,441)**	**(8,369)**	**(94,972)**	**(20,261)**	**(200,043)**
Interest income					**11,478**
Gains on deemed disposal of subsidiaries					**20,422**
Corporate and other unallocated expenses, net					**(155,643)**
Finance costs					**(20,369)**
Share of profits and losses of:					
Joint ventures					**–**
Associate					**–**
Loss before tax					**(344,155)**
Income tax credit					**1,499**
Loss for the year					**(342,656)**

Year ended 31 December 2013

	Lighting Business *HK$'000*	Property Development *HK$'000*	Total *HK$'000*
Segment revenue:			
Sales to external customers	181,075	–	181,075
Segment results	(7,604)	(12,526)	(20,130)
Interest income			198
Corporate and other unallocated expenses, net			(23,165)
Finance costs			(95,529)
Loss before tax			(138,626)
Income tax expense			(3,571)
Loss for the year			(142,197)

6. OTHER INCOME AND GAINS

	2014	2013
	HK$'000	*HK$'000*
Bank interest income	**11,478**	198
Gain on disposal of subsidiaries	**–**	75
Government grant *(note)*	**1,159**	2,106
Fair value gain on financial liabilities at fair value through profit and loss, net	**25,645**	–
Others	**2,204**	2,216
	40,486	4,595

Note: There are no unfulfilled conditions or contingencies relating to government grant.

7. GAINS ON DEEMED DISPOSAL OF SUBSIDIARIES

The gains on deemed disposal of interests in subsidiaries during the year of approximately HK$20,422,000 arose from the dilution of the Group's effective equity interest in Magical Gains Holdings Limited ("**Magical Gains**") and its subsidiaries (together, the "**Magical Gains Group**") from 100% to 50% following the issuance of 100 new ordinary shares of Magical Gains to a subscriber on 23 December 2014.

Therefore, Magical Gains Group ceased to be subsidiaries and became joint ventures of the Group. Further details of the deconsolidation of subsidiaries are set out in note 23 to the announcement.

8. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
Interests on:		
Bank and other borrowings	**63,066**	11,619
Less: Interest capitalised	**(56,979)**	(3,228)
	6,087	8,391
Loan from government	**–**	441
Finance lease payables	**14,282**	–
Imputed interest on convertible bonds	**–**	86,697
	20,369	95,529

9. LOSS BEFORE TAX

	2014	2013
	HK$'000	*HK$'000*
The Group's loss before tax is arrived at after charging:		
Auditor's remuneration**	**1,506**	658
Cost of inventories sold*	**114,553**	136,261
Depreciation	**21,514**	12,335
Foreign exchange differences, net**	**4,945**	994
Amortisation of prepaid lease payments**	**398**	403
Amortisation of intangible assets**	**8,333**	8,423
Minimum lease payments under operating leases of land and buildings	**14,796**	6,030
Write-down of inventories to net realisable value*	**10,805**	7,110
Loss on disposal of property, plant and equipment**	**1,113**	147
Research and development costs**	**13,564**	10,410
Employee benefits expenses (including directors' and chief executive's remuneration):		
Directors' remuneration	**31,069**	6,288
Wages and salaries	**92,698**	37,168
Pension scheme contributions	**10,162**	6,863
Non-cash share option expenses	**3,974**	–
Less: Amount capitalised	**(28,353)**	–
	109,550	50,319

* *Included in "cost of sales" on the face of the consolidated statement of profit or loss.*

** *Included in "administrative expenses" on the face of the consolidated statement of profit or loss.*

10. INCOME TAX (CREDIT)/EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2013:16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

	2014	2013
	HK$'000	*HK$'000*
People's Republic of China ("**PRC**") Enterprise Income Tax		
— Current	**559**	943
— Underprovision in prior years	**–**	303
	559	1,246
Deferred	**(2,058)**	2,325
Total tax (credit)/charge for the year	**(1,499)**	3,571

11. DIVIDEND

No dividend was paid or proposed for the years ended 31 December 2014 and 2013.

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

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

	2014	2013
	HK$'000	*HK$'000*
Loss		
Loss attributable to ordinary equity holders of the Company, used in the basic and diluted loss per share calculation	**293,677**	137,147

	Number of shares	
	2014	2013
	'000	*'000*
		(Restated)
Number of shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted loss per share calculation as adjusted for rights issue which was completed on 4 February 2014 (2013: as adjusted for the rights issue which was completed on 4 February 2014)	**16,714,397**	4,744,371

In respect of the diluted loss per share amounts presented, no adjustment has been made to the basic loss per share amounts presented for the year ended 31 December 2014 as the impact of the share options outstanding during the year had either no dilutive effect or an anti-dilutive effect on the basic loss per share amounts presented.

13. GOODWILL

Goodwill of approximately HK$203,392,000 was related to the acquisition of Ace Winner Holdings Limited ("**Ace Winner**") and its subsidiaries. Ace Winner is an investment holding company with an indirect 69.44% equity interest, held through its wholly-owned subsidiary, China Opto Investments Limited, in the issued share capital of Jiangsu Wenrun Optoelectronic Co., Ltd ("**Jiangsu Wenrun**"). Jiangsu Wenrun is principally engaged in the Lighting Business. Goodwill of approximately HK$203,392,000 was allocated to the cash-generating unit (the "**CGU**") for the Lighting Business.

	HK$'000
At 1 January 2013:	
Cost	203,392
Accumulated impairment	(128,257)
Net carrying amount	75,135
Cost at 1 January and 31 December 2013, net of accumulated impairment	75,135
At 31 December 2013:	
Cost	203,392
Accumulated impairment	(128,257)
Net carrying amount	75,135
Cost at 1 January 2014, net of accumulated impairment	75,135
Impairment during the year	(59,000)
Cost and net carrying amount at 31 December 2014	16,135
At 31 December 2014:	
Cost	203,392
Accumulated impairment	(187,257)
Net carrying amount	16,135

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to Lighting products cash-generating unit in the CGU for the purpose of impairment testing.

The recoverable amount of CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management of the Company. The key assumptions used in the cash flow projections are as follows:

— Average gross margins of 23% (2013: 28%) and average revenue growth rate of 10% (2013: 14%) to reflect the deterioration of the Lighting Business with reference to the average performance in the previous years and the expected returns within the relevant industry;

— Discount rate of 10.46% (2013: 12.55%) is used with reference to the current market data for the relevant industry and comparable companies; and

— Terminal growth rate of 3.20% (2013: 3.22%) is used with reference to Mainland China's average inflation rate in the past five years.

14. INTERESTS IN JOINT VENTURES

	2014
	HK$'000
Share of net assets	**–**
Loan to joint ventures	**876,132**
	876,132

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

15. TRADE AND OTHER RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Trade receivables due from third parties	**125,265**	100,729
Impairment	**(33,223)**	(28,536)
	92,042	72,193
Other receivables	**26,512**	12,864
Prepayments	**9,283**	2,607
Deposits	**299,392**	49,792
	335,187	65,263
Total trade and other receivables	**427,229**	137,456

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.

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2014	2013
	HK$'000	*HK$'000*
Within 30 days	**24,035**	19,060
31 to 60 days	**16,746**	12,177
61 to 90 days	**14,707**	8,723
Over 90 days	**36,554**	32,233
	92,042	72,193

16. TRADE AND OTHER PAYABLES

	2014	2013
	HK$'000	*HK$'000*
Trade payables due to third parties	**110,973**	83,693
Accruals	**118,329**	10,924
Deposits received	**142,027**	5,119
Other payables	**18,285**	28,739
	278,641	44,782
	389,614	128,475

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2014	2013
	HK$'000	*HK$'000*
Within 30 days	**71,313**	19,415
31 to 60 days	**12,460**	10,723
61 to 90 days	**9,393**	6,180
Over 90 days	**17,807**	47,375
	110,973	83,693

The trade payables are non-interest-bearing and are normally settled with credit periods ranging from 30 to 90 days.

17. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2014	2013
	HK$'000	*HK$'000*
Bank loans, secured	**89,676**	87,095
Loans from licensed money lender, unsecured	**–**	10,127
Bank and other borrowings repayable on demand or within one year	**89,676**	97,222

Notes:

(a) As at 31 December 2014, the carrying amounts of the Group's bank and other borrowings approximate to their fair value.

(b) Bank loans are secured by the Group's certain of property, plant and equipment, prepaid lease payments and intangible assets. The effective interest rates ranging from 5.75% to 6.90% (2013: 6.00% to 7.13%) per annum. All bank loans are denominated in Renminbi ("**RMB**").

(c) For the year ended 31 December 2013, the Group had entered into loan agreements with a licensed money lender which were unsecured, bore interest at fixed rates of 12% per annum and have been fully settled during the year.

18. DUE TO THE ULTIMATE HOLDING COMPANY

The amount due to the ultimate holding company was unsecured, interest-free and repayable on demand and was fully repaid during the year.

19. DUE TO A RELATED COMPANY

The amount due to a related company, Anhui Landing Holding Group Limited, which was controlled by Mr. Yang Zhihui, the chairman and an executive director of the Company.

The amount was secured by the Group's properties under development with a carrying amount of approximately HK$513,141,000, bore interest at fixed rate of 13% per annum and was fully repaid during the year.

20. DUE TO A NON-CONTROLLING INTEREST

The amount due to a non-controlling interest is unsecured, carrying interest at 5% per annum and repayable in 2019.

21. FINANCE LEASE PAYABLES

	2014	
	Minimum lease payment *HK$*	**Present value of minimum lease payment** *HK$*
Within one year	**82,740**	**66,091**
More than one year	**259,032**	**231,580**
Total minimum lease payment	**341,772**	**297,671**
Future finance charge	**(44,101)**	
Total net finance lease payables	**297,671**	
Portion classified as current liabilities	**(66,091)**	
Non-current portion	**231,580**	

22. SHARE CAPITAL

	Number of shares *'000*	**Total value** *HK$'000*
Authorised:		
At 1 January 2013	5,000,000	500,000
Share subdivision *(note a)*	45,000,000	–
At 31 December 2013, 1 January 2014 and 31 December 2014	50,000,000	500,000
Issued and fully paid		
At 1 January 2013	1,910,020	191,002
Transfer of credit arising from the capital reduction in relation to the capital reorganisation *(note a)*	–	(171,902)
Issue of new shares upon conversion of convertible notes *(note b)*	7,534,247	75,343
At 31 December 2013 and 1 January 2014	9,444,267	94,443
Issue of ordinary shares by rights issue *(note c)*	4,722,133	47,221
Issue of ordinary shares by share subscriptions *(note d)*	3,070,000	30,700
Issue of ordinary shares in relation to acquisition of a subsidiary *(note e)*	1,459,854	14,599
At 31 December 2014	18,696,254	186,963

Notes:

(a) Pursuant to a special resolution passed at a special general meeting of the Company held on 18 April 2013, a capital reorganisation was implemented by the Company which involved:

(i) the reduction in the issued share capital of the Company by cancellation of paid-up capital to the extent of HK$0.09 on each issued share so that the par value of each issued share has been reduced from HK$0.1 to HK$0.01;

(ii) the subdivision of each authorised but unissued existing share into ten shares of HK$0.01 each; and

(iii) the transfer of the credit arising from the capital reduction of approximately HK$171,902,000 to the contributed surplus of the Company.

Further details of which are set out in the Company's circular dated 25 March 2013.

(b) On 28 June 2013, the Company allotted and issued 1,794,520,547 shares of HK$0.01 each upon the exercise of the conversion rights attached to convertible notes in the aggregate principal amount of approximately HK$131,000,000.

On 21 October 2013, the Company allotted and issued 5,253,425,656 shares of HK$0.01 each upon the exercise of the conversion rights attached to convertible notes in the aggregate principal amount of approximately HK$383,500,000.

On 23 October 2013, the Company allotted and issued 465,753,424 shares of HK$0.01 each upon the exercise of the conversion rights attached to convertible notes in the aggregate principal amount of approximately HK$34,000,000.

On 24 October 2013, the Company allotted and issued 20,547,945 shares of HK$0.01 each upon the exercise of the conversion rights attached to convertible notes in the aggregate principal amount of approximately HK$1,500,000.

(c) On 4 February 2014, the Company completed the rights issue on the basis of one rights share for every two shares held on the record date. 4,722,133,286 shares were issued at a subscription price of HK$0.30 per rights share with gross proceeds of approximately HK$1,416,640,000, of which approximately HK$47,221,000 was credited to share capital and approximately $1,369,419,000 was debited to the share premium account. Details of which were set out in the Company's announcements dated 20 December 2013, 23 December 2013 and 30 January 2014 and the Company's prospectus dated 9 January 2014.

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

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

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

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

(e) On 16 June 2014, the completion of the acquisition of the entire equity interest of Ultra Matrix International Limited and together with its subsidiaries with an aggregate consideration of approximately HK$875,913,000 was taken place. Upon such completion, 1,459,854,014 ordinary shares of the Company with par value of HK$0.01 each were issued as the full payment of the consideration for the acquisition. The fair value of the 1,459,854,014 ordinary shares of the Company, determined using the closing market price of HK$0.54 per share at the date of completion on 16 June 2014, amounted to approximately HK$788,322,000. Details of which were disclosed in the announcements of the Company dated 23 March 2014, 3 April 2014 and 16 June 2014.

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

23. DECONSOLIDATION OF SUBSIDIARIES

Owing to the dilution of the Group's effective equity interest in Magical Gains from 100% to 50% upon issuance of 100 new ordinary shares of Magical Gains to a subscriber on 23 December 2014, Magical Gains Group ceased to be subsidiaries of the Group and became joint ventures of the Group during the year (note 7). Accordingly, Magical Gains Group were deconsolidated during the year ended 31 December 2014.

An analysis of the net assets deconsolidated in respect of which is as follows:

	HK$'000
Assets/(liabilities) deconsolidated:	
Property, plant and equipment	56,833
Intangible assets	815,696
Long-term deposit	6,798
Inventories	1,549
Other receivables	25,585
Financial assets at fair value through profit or loss	43,388
Cash and bank balances	50,599
Other payables	(94,015)
Amount due to a shareholder	(1,001,132)
Reclassification to interests in joint ventures from interests in subsidiaries	(94,699)

24. EVENT AFTER THE REPORTING PERIOD

(a) On 15 December 2014, the Company granted share options (the "**Options**") under the share option scheme to certain eligible grantees (the "**Grantees**"), which, subject to acceptance by the Grantees, would enable the Grantees to subscribe for an aggregate of 869,375,807 ordinary shares of the Company of HK$0.01 each in the share capital of the Company at the exercise price of HK$0.225 per new share. The Options granted are exercisable commencing from 15 December 2014 to 14 December 2024 (both dates inclusive) (the "**Option Period**"). No Options will be exercisable after the expiry of the Option Period.

Subsequently on 8 January 2015, as approved by the Board and consented by each of the Grantees, the Company and the Grantees have agreed that the grant of Options to be cancelled in its entirety. No Grantee has exercised the said Options prior to such cancellation.

(b) On 15 December 2014, the Company as the purchaser, entered into a sale and purchase agreement ("**Gangwon Sale and Purchase Agreement**") with Jumbo Prize Limited ("**Jumbo Prize**") pursuant to which Jumbo Prize had conditionally agreed to sell and transfer, and the Company had conditionally agreed to acquire, among others, the entire issued share capital of Wealth Seed Group Limited (the "**Target Company**") at the consideration of approximately HK$868,659,000. The Target Company, through its indirect subsidiary, owns and operates casino business now carried under the trade name of Alpensia Casino at Holiday Inn Resort in Pyeongchang, Gangwon-do Province, Korea pursuant to the casino license under the Tourism Promotion Act. A refundable deposit of HK$210,000,000 had been paid pursuant to the Gangwon Sale and Purchase Agreement. However, some of the conditions set out in the Gangwon Sale and Purchase Agreement had not been satisfied or waived and no extension of the long stop date had been agreed; hence, Gangwon Sale and Purchase Agreement lapsed on 28 February 2015 subsequently. Details of which have been disclosed in the announcements of the Company dated 15 December 2014 and 27 February 2015.

25. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform to the presentation of current year.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the year ended 31 December 2014, the Group's consolidated turnover was approximately HK$223,318,000 (2013: HK$181,075,000). A loss attributable to equity holders of the Company of approximately HK$293,677,000 (2013: loss of HK$137,147,000) was recorded. The increase in loss for the year when comparing to last year was mainly attributable to (i) the administrative expenses in connection with the newly acquired casino business; (ii) pre-construction administrative expenses for the integrated resort development; (iii) increase in other operating and administrative expenses due to the Group expansion; and (iv) an impairment of goodwill recognized during the year. The basic and diluted loss per share was HK1.76 cents (2013: basic and diluted loss per share of HK2.89 cents (restated)) respectively.

As at 31 December 2014, the consolidated net asset value per share attributable to equity holders of the Company was HK$0.21 (2013: HK$0.08).

REVIEW OF OPERATION

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

Lighting Business

Despite the steady growth of customer demand and market penetration of the LED products, the performance of the Lighting Business and its transaction volume did not have any notable improvement as compared to last year. The revenue of the Lighting Business was approximately HK$201,951,000 for the year ended 31 December 2014, which represented an increase of 11.5% from approximately HK$181,075,000 for the year 2013. The gross profit of the Lighting Business was approximately HK$37,223,000 for the year ended 31 December 2014 while it was approximately HK$37,704,000 for the year 2013, representing a decrease in gross profit margin from 20.8% in year 2013 to 18.4% in year 2014.

As at 31 December 2014, the carrying amount of goodwill of the Lighting Business was approximately HK$16,135,000 (2013: HK$75,135,000), which was arrived at after impairment of the goodwill of HK$59,000,000 being recognized during the year (2013: nil).

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

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

The key underlying assumptions and respective changes used in the cash flow projections are summarized as follows:

— Average gross margins of 23% (2013: 28%) and average revenue growth rate of 10% (2013: 14%) to reflect the deterioration of the Lighting Business with reference to the average performance in the previous years and the expected returns within the relevant industry;

— Discount rate of 10.46% (2013: 12.55%) is used with reference to the current market data for the relevant industry and comparable companies; and

— Terminal growth rate of 3.20% (2013: 3.22%) is used with reference to Mainland China's average inflation rate in the past five years.

The LED products are facing price pressure as the Lighting Business has been continuously and adversely affected by the keen competition within the industry.

Property Development

On 7 June 2013, in order to diversify the income source for its continuous development, the Group completed the acquisition of the entire issued share capital of Double Earn Holdings Limited ("**Double Earn**") at a consideration of HK$550 million (the "**Yueyang Acquisition**").

Double Earn, through its indirect wholly-owned subsidiary (Yueyang Nanhu Meishu Properties Limited# (岳陽南湖美墅置業有限公司) (the "**Yueyang Company**")), is principally engaged in the development and operation of a parcel of land situated on the western shore of Nanhu Lake# (南湖), Yueyang, Hunan Province, PRC, which is under development into high-end residential buildings with club houses and parking lots. The construction work was commenced in July 2013 and the first stage of pre-sale has begun in January 2014.

During the year, about 50% of the residential property units available in the first stage of pre-sale had been contracted. Those contracted residential property units are planned for delivery to customers and will be recognised as turnover in coming years. Included in trade and other payables as at 31 December 2014, approximately HK$135,221,000 being the deposits received for such pre-sale. Also, the Group has allocated additional fund to the Yueyang Company for supporting its construction works. As at 31 December 2014, the properties under development for this segment was approximately HK$896,654,000.

Integrated Resort Development

On 14 August 2013, the Company and Jeju Free International City Development Center (the "**JDC**") entered into a memorandum of agreement with respect to the intended investment on certain parcels of land totaling approximately 2,319,613 square meters of the Myth-History Park project located at Seogwang-ril in Andeog-myeon, Seoguipo City, Jeju, Korea (the "**Land**") for the development, management and operation of a certain project that encompasses real estate, entertainment and hotel and hospitality businesses (the "**Jeju Project**"). The Company had set up Landing Jeju Development Co., Ltd. ("**Landing Jeju**"), a direct wholly-owned subsidiary of the Company which was incorporated in Korea with limited liability, for the purpose of undertaking the Jeju Project.

On 30 September 2013, the Company, Landing Jeju and JDC entered into a project agreement which governed, among other things, the powers and obligations of the parties in respect of the Jeju Project. On 25 October 2013, the Company, Landing Jeju and JDC entered into a land acquisition agreement in relation to the acquisition of the Land at a total consideration of KRW136 billion (equivalent to approximately HK$985.5 million).

On 7 February 2014, the Company joined force with Genting Singapore PLC ("**Genting Singapore**") (a public limited company established under the laws of the Isle of Man and the shares of which are listing on the Main Board of the Singapore Exchange Securities Trading Limited) and its subsidiaries (the "**Genting Singapore Group**") by entering into a shareholders agreement between the Company, Landing Jeju and Happy Bay Pte. Ltd. ("**HBL**"), an indirect wholly-owned subsidiary of Genting Singapore (the "**Shareholders**

Agreement") to form a strategic partnership to develop, manage and operate the Jeju Project which is a planned development comprising an integrated resort with hotel, gaming facilities and residential properties with an estimated investment amount totaling approximately KRW2,368 billion (equivalent to approximately HK$17.16 billion). On 26 March 2014, all the conditions precedent for the Shareholders Agreement had been fulfilled, and accordingly, completion of the Shareholders Agreement ("**SHA Completion**") took place on 27 March 2014. Upon the SHA Completion, pursuant to the Shareholders Agreement, (i) the Company and HBL had paid KRW32,468.54 million (equivalent to approximately HK$235 million) and KRW82,500 million (equivalent to approximately HK$598 million) respectively to Landing Jeju for subscription of its shares such that Landing Jeju was then owned as to 50% by the Company and 50% by HBL; and (ii) HBL had made loans, or debt financing, in the amount of KRW82,500 million (equivalent to approximately HK$598 million), and the Company had advanced such a sum which when aggregated with the shareholder's loan already advanced by the Company to Landing Jeju as of the SHA Completion, would be equal to the sum of KRW82,500 million (equivalent to approximately HK$598 million), in immediately available funds to Landing Jeju.

Landing Jeju is now owned as to 50% by each of the Company and HBL, and has a paid up capital of KRW165,000 million (equivalent to approximately HK$1,196 million) comprising 16,500,000 ordinary shares and shareholders' loans in the same aggregate amount of KRW165,000 million (equivalent to approximately HK$1,196 million), and has become a non-wholly owned subsidiary of the Company, the financial results of which are continue to be consolidated into the Group's financial statements.

To leverage the respective strength and experience of the Company and Genting Singapore Group in the areas of real estate development and gaming and integrated resorts development, operation and management, pursuant to the Shareholders Agreement, the parties had outsourced the relevant fields and business of the Jeju Project to the affiliates of the Company or the Genting Singapore Group via a gaming operator agreement, a hotel operator agreement, a theme park operator agreement and a residential management agreement (which are collectively referred to as the "**Operator and Services Agreements**") which had become effective upon the SHA Completion. An associate was formed by the Company and HBL, with each of them contributing SGD$1 towards the paid up capital of such company and owning 50% of its issued shares, to act as the service provider under the hotel operator agreement. The Operator and Services Agreements could ensure that the fundamentals and facilities of the Jeju Project would be well built and managed by a quality and experienced management team.

The SHA Completion has fostered a close strategic alliance between the Group and the Genting Singapore Group. By leveraging on the extensive expertise and experience of Genting Singapore Group in gaming and integrated resort development and management and the Group's management experiences in property development projects, the Group will be able to develop the Jeju Project into a world-class integrated resort in Asia.

On the other hand, for the purpose of increasing the efficiency and competitiveness of the Group by offering premium and efficient travelling services to its high net worth guests and customers for the future sale of the prime residential properties of the Jeju Project, as well as its premium guests to the gaming and integrated resort upon its opening, the Company entered into a sale and purchase agreement on 9 February 2014 and a supplemental agreement on 21 February 2014 respectively with Ms. Xu Ning ("**Ms. Xu**"), the executive director of the Company, for the acquisition of the entire issued shares of Win Rich Group Limited ("**Win Rich**") which was beneficially owned by Ms. Xu and the interest-free shareholder loan at the total consideration of HK$141.5 million (the "**Aircraft Acquisition**").

Win Rich was incorporated for the purpose of entering into a purchase agreement and the leasing arrangements with respect to an aircraft (the "**Aircraft**") at the purchase price of US$53.2 million (equivalent to approximately HK$415 million). The Aircraft is a brand new Bombardier Global 6000 aircraft with engine model Rolls-Royce BR710A2-20.

Under the relevant leasing arrangements, the principal lease amount of the Aircraft is US$42.56 million (equivalent to approximately HK$332 million), being the aggregate of the amounts paid or to be paid by the lessor for the partial settlement of the consideration for the purchase of the Aircraft and shall be settled by Win Rich in ten installments with interests thereon, in the form of rental payments, every six months commencing on the delivery date of the Aircraft.

The completion of the Aircraft Acquisition took place on 7 April 2014 and accordingly, Win Rich had become a wholly-owned subsidiary of the Company. The Aircraft was delivered in early of June 2014 and is now put into operation. Interest and lease payments of approximately HK$58 million were paid during the year.

Casino Business

Subsequent to the memorandum of understanding (the "**MOU**") dated 22 March 2014 which was entered into by the Company and Strategic Dragon Global Limited ("**Strategic Dragon**") as vendor, a sale and purchase agreement dated 2 April 2014 and a supplemental agreement dated 16 June 2014 (the "**Casino SP Agreements**") were entered into by Magical Gains, a direct wholly-owned subsidiary of the Company, for the acquisition of the entire issued share capital of Ultra Matrix International Limited, a company incorporated in the British Virgin Islands with limited liability ("**Ultra Matrix**") and all outstanding interest-free demand loan being owed by Ultra Matrix to Strategic Dragon as at the date of completion of such acquisition (the "**Casino Acquisition**"), at the consideration of KRW120 billion (equivalent to approximately HK$876 million) (the "**Casino Consideration**").

The completion of the Casino Acquisition took place on 16 June 2014 and 1,459,854,014 Shares (the "**Consideration Shares**") have been allotted and issued to Strategic Dragon at the issue price of HK$0.6 in full satisfaction of the Casino Consideration. The Group was then, through its indirect wholly-owned subsidiary incorporated in Korea, Grand Express Korea Co., Ltd. ("**GEK**"), engaged in the casino business by operating a casino at Hyatt Regency Jeju Hotel (the "**Jeju Casino**") pursuant to a casino license (the "**Casino License**") under the Tourism Promotion Act in Jeju, Korea.

To facilitate a smooth transition and integration of the Casino Business into the Group, upon completion of the Casino Acquisition on 16 June 2014, Strategic Dragon, as a service provider, and GEK entered into a management services agreement for a term of four months (the "**Casino Management Agreement**"). Pursuant to the Casino Management Agreement, Strategic Dragon had provided, among other things, guidance on and assistance in the overall management, operation, transition and integration of Casino Business. The Casino Management Agreement was terminated on 19 October 2014 when the renovation of the entire Jeju Casino commenced.

As security for the due and punctual performance for obligations of Strategic Dragon under the Casino SP Agreements, in particular, the indemnities provided under the supplemental agreement and the Casino Management Agreement, a share charge of 1,000,000,000 Consideration Shares in favour of Magical Gains (the "**Charged Shares**") was entered on 16 June 2014. The Charged Shares will be fully discharged and released upon, among other things, the expiry of two years from completion of the Casino Acquisition or the expiry or earlier termination of the Casino Management Agreement. During the year ended 2014 and as at the date of this announcement, 250,000,000 Charged Shares had been released upon the satisfaction of one of the security release conditions.

On 18 November 2014, Magical Gains, the Company and Pearl Concept Enterprises Limited ("**Pearl Concept**"), an indirect wholly-owned subsidiary of Genting Hong Kong Limited (shares of which are listed on the main board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), stock code 678, "**Genting HK**"), entered into a subscription and loan agreement, pursuant to which Magical Gains had conditionally agreed to allot and issue 100 shares in the capital of Magical Gains (the "**Subscription Shares**") to Pearl Concept at the subscription price of approximately HK$41,490,000 (the "**Subscription Price**"), and Pearl Concept had conditionally agreed to subscribe for such Subscription Shares (the "**Subscription and Loan Agreement**").

Completion of the Subscription and Loan Agreement took place on 23 December 2014 and the Subscription Price had been received from Pearl Concept. Upon such completion, Pearl Concept also made available the loan in the principal amount of approximately HK$875,912,000 (the "**Loan**") to Magical Gains according to the terms and conditions of the Subscription and Loan Agreement. Magical Gains applied HK$125,000,000 of the Loan for the full repayment of the shareholder loan made by the Company to Magical Gains, and the remaining balance of the Loan is applied for (i) the general corporate and working capital purposes of the Jeju Casino; and (ii) covering the costs incurred by GEK for the purpose of the renovation and refurbishing works at the Jeju Casino.

After the completion of the Subscription and Loan Agreement, each of the Company and Pearl Concept is now holding 50% of the issued share capital of Magical Gains with a shareholders agreement being entered into by Magical Gains, the Company and Pearl Concept (the "**MG Shareholders Agreement**") to regulate their respective rights in Magical Gains Group. Magical Gains Group have ceased to be subsidiaries, and have become joint ventures, of the Company.

The Subscription and Loan Agreement and the MG Shareholders Agreement represented a strategic deploy of the Group that is in alignment with the Group's plan for the Jeju Casino and in favor of the Group's long term interests as a whole by strengthening the financial position of the Magical Gains Group. Magical Gains Group, which will be able to leverage the managerial expertise, marketing, customer base and other supports of Genting HK, will enable the Jeju Casino to have a competitive edge over the other market players in the gaming industry in Jeju, Korea. Also, the Board is of the view that the established brand-name of Genting HK can enhance the Jeju Casino's own branding and generate a synergistic effect on the brand building of the Company and Genting HK.

According to the MG Shareholders Agreement, Pearl Concept has procured Genting HK to grant GEK a non-exclusive royalty free right and licence throughout Korea to use and display the trade marks, service marks, trade names, logos, registered and unregistered design rights, copyrights of Genting HK registered in Korea, as well as all of the confidential and proprietary information, techniques and systems of Genting HK necessary for the operation of the Jeju Casino (the "**Genting Know-how**"). The right and licence in respect of the Genting Know-how shall be personal to GEK and GEK shall not be entitled to transfer, assign, sub-licence or deal in any other way in respect of such right or licence.

Intangible asset of approximately HK$872,299,000, representing the fair value of the Casino License, was resulted from the Casino Acquisition as at 16 June 2014. Subsequently, upon the completion of the Subscription and Loan Agreement on 23 December 2014, such intangible asset was derecognized. As at 31 December 2014, the carrying amount of the interests in joint ventures, which represented the 50% shareholding of Magical Gains owned by the Company, was HK$876,132,000, representing the aggregate of (i) the share of net assets in joint ventures of HK$nil due to the net liabilities position of Magical Gains Group and (ii) loans to joint ventures of approximately HK$876,132,000 as at 31 December 2014.

Casino Business's segment revenue of approximately HK$21,367,000 (2013: nil) was recorded during the year. However, a segment loss of approximately HK$20,261,000 (2013: nil) was resulted mainly due to the suspension of business during renovation period of Jeju Casino since October 2014. Subsequently, the Jeju Casino was re-opened on 18 January 2015 after its renovation.

OUTLOOK

Lighting Business

During the year, the Lighting Business did not make any markable improvement despite the steady growth of customer demand and market penetration of LED products. Lower technological barrier causes keen competition in the market for LED related products and higher chances of losing orders from customers. The demand from replacing lighting products will begin to decrease with time due to the significantly longer lifespans of LED lighting products. As such, the management will continue to monitor and review both the operations and financial performance of the Lighting Business to formulate long-term business strategy for the Group in the coming year, which may include restructuring or downsizing the Lighting Business, if the unfavorable operating environment continues.

Property Development

Due to the development of infrastructure and completion of railway and expressway projects, the economic environment and gross domestic product in Yueyang keep growing strongly in 2014. Moreover, following the substantial completion of the overall property construction work with well-established environmental ancillary facilities in the region and by stepping up its marketing efforts, it is expected that these factors will continue to drive the domestic demand for luxurious residential districts in Yueyang.

During the year, about 50% of the residential property units available in the first stage of pre-sale had been contracted. The percentage of completion of the first stage and second stage as at 31 December 2014 were 88% and 17%, respectively, based on the total investment amount. Considered the property market in China, the management will closely monitor the market condition and will decide the timeframe for applying for the permit of second stage of pre-sale accordingly.

Integrated Resort Development

On 12 February 2015, graced by Mr. Won Hee-ryong, the Governor of Jeju Special Self-Governing Province, Landing Jeju held a groundbreaking ceremony in Jeju, Korea to mark the official start of the construction work of the Jeju Project. According to the building permits granted by the Jeju government (based on the current development plan) for zones A and R of the Land forming part of the Jeju Project, Landing Jeju is permitted to develop and construct (i) a gaming and integrated resort with a total gross floor area ("**GFA**") of approximately 306,763 square meters comprising premium hotels and a villa hotel and other conferencing and exhibition facilities, a gaming facility, a theme park and shopping and other entertainment and tourism facilities and (ii) condominiums, villas, bungalows and other accommodation facilities with a GFA of approximately 132,265 square meters. Landing Jeju will continue to work closely with the local government of Jeju, Korea to ensure the smooth progress and completion of the Jeju Project.

The Jeju Project is expected to be one of South Korea's largest integrated resorts, spanning across a land area of approximately 2.5 million square metres. Slated to open progressively from 2017, 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 all over the world; Jeju's largest adventure waterpark and one of Korea's most exciting themed retail and food complexes. Its premium hotels will have more than 2,000 rooms, boasting luxury villas, Jeju Island's first 6-star hotel and a destination spa. The hotels are equipped with full meeting and conference facilities that are suitable for hosting regional and international meetings, incentives, conventions and events. In addition, there will be cultural facilities, leisure and entertainment amenities, as well as approximately 1,500 luxury serviced apartments and residential villas. The entire development is expected to be completed by 2019.

Jeju, Korea, which is the only visa-free entry region of Korea for individual visitors from 180 countries such as the PRC, Japan, Malaysia and Singapore. According to the information provided by JDC, the number of visitors for the year 2014 reached 12.273 million, representing an increase of 13.1% as compared to year 2013. Among which, the number of visitors from the PRC was over 2.85 million. Following the completion and opening of the integrated resort of the Jeju Project and other sightseeing attractions over the coming few years, it is expected that more tourists will be visiting Jeju and the local gaming and tourism industry will achieve remarkable growth.

Casino Business

On 18 January 2015, the grand opening of the Jeju Casino was held to publicise and celebrate its re-opening after the transfer of the 50% ownership of Magical Gains and the renovation. The Jeju Casino is now operated under the tradename of "Genting Jeju", and currently has 26 Baccarat tables, 1 Blackjack table, 1 Tai Sai table, 1 Roulette table and 16 slot machines.

With over 40 year's history, Korea is one of the largest gaming market in Asia with USD2.4 billion in revenue in year 2013. There are total 17 casinos, among which 8 are located in Jeju, Korea. With the commencement of coming world-class integrated resorts in Jeju and the recent uncertainty in Macau gaming market, the Group believes Korea gaming market will have a significant growth in the coming years.

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

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 2014, the Group had non-current assets of approximately HK$2,156,965,000 (2013: HK$444,989,000) and net current assets of approximately HK$3,190,807,000 (2013: HK$404,798,000). The current ratio, expressed as the ratio of the current assets over the current liabilities, was 6.85 as at 31 December 2014 (2013: 1.56). The significant increase in net current assets and current ratio is mainly due to (i) the increase in the cash and bank balances by approximately HK$1,389,711,000 after the completion of the rights issue on the basis of one rights share for every two shares held on the record date at HK$0.3 per rights share (the "**Rights Issue**") on 4 February 2014 with gross proceeds of approximately HK$1,416,640,000 and completions of several share subscriptions with a gross total of approximately HK$1,267,000,000 being raised; (ii) increase in properties under development by approximately HK$920,369,000 for the Jeju Project and residential properties of Yueyang Company; (iii) the decrease in amount due to ultimate holding company by approximately HK$370,009,000 after setting off against the subscription proceeds for the Rights Issue; and (iv) the decrease in the amount due to related company by approximately HK$123,273,000 after full repayment of an entrusted loan of RMB100,000,000 with its accrued interest.

For the year ended 31 December 2014, there were provision for impairment of trade receivables amounting to HK$4,687,000 (2013: reversal of impairment of trade receivables of HK$289,000) and provision for impairment of other receivables amounting to HK$3,626,000 (2013: HK$814,000), and these provisions mainly consisted of overdue receivables with aging period over one year to comply with the applicable accounting standards in accordance with the long outstanding loan and receivables. As at 31 December 2014, the Group had trade and other receivables of approximately HK$427,229,000 (2013: HK$137,456,000). As at 31 December 2014, the Group had bank balances and cash of approximately HK$1,655,667,000, with approximately HK$27,444,000 and HK$1,139,328,000 held in RMB and Korean Won respectively and the remaining held in Hong Kong dollar (2013: HK$265,956,000, with approximately HK$75,419,000 and HK$187,486,000 held in RMB and Korean Won respectively).

As at 31 December 2014, the Group had trade and other payables of approximately HK$389,614,000 (2013: HK$128,475,000), current bank borrowings in RMB with fixed interest rate of approximately HK$89,676,000 (2013: HK$87,095,000) and no other borrowings (2013: HK$10,127,000), while total liabilities amounted to approximately HK$1,382,151,000 (2013: HK$730,752,000). The Group's gearing ratio, which was measured on the basis of the Group's total liabilities divided by total assets, was 23.5% (2013: 46.5%).

SEGMENT INFORMATION

Details of segment information of the Group for the year ended 31 December 2014 are set out in note 5.

CAPITAL STRUCTURE

On 20 December 2013, the Company announced the Rights Issue. On 4 February 2014, after the completion of the Rights Issue, a total of 4,722,133,286 rights shares were issued.

On 7 February 2014, the Company entered into a share subscription agreement with the Genting Singapore Group (through its indirectly wholly-owned subsidiary) pursuant to which the Genting Singapore Group has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 810,000,000 subscription shares at a price of HK$0.30 per subscription share (the "**Genting Subscription**"). In order to further strengthen the equity base of the Company and to accommodate further possible financing needs of the Group, in addition to the Genting Subscription, the Company also entered into the other subscription agreements with three other subscribers on 7 February 2014 to issue an aggregate of 1,060,000,000 subscription shares at the subscription price of HK$0.4 per subscription share. Completions of the subscriptions of 1,370,000,000 subscription shares and 500,000,000 subscription shares took place on 1 April 2014 and 11 April 2014 respectively, and total of 1,870,000,000 subscription shares were issued.

On 8 June 2014, the Company entered two subscription agreements with two subscribers respectively to allot and issue a total of 1,200,000,000 subscription shares at a price of HK$0.5 per subscription share. Completions of the subscriptions of 700,000,000 subscription shares and 500,000,000 subscription shares took place on 17 June 2014 and 8 July 2014 respectively, and total of 1,200,000,000 subscription shares were issued.

The completion of the Casino Acquisition took place on 16 June 2014 and 1,459,854,014 Consideration Shares were allotted and issued to Strategic Dragon at the issue price of HK$0.6 in full satisfaction of the Casino Consideration.

As at 31 December 2014, the total number of issued ordinary shares of the Company was 18,696,253,872 with a nominal value of HK$0.01 each.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSAL

Aircraft

On 9 February 2014 and 21 February 2014, the Company entered into a sale and purchase agreement and a supplemental agreement respectively with Ms. Xu for the acquisition of the entire issued shares of Win Rich which is beneficially owned by Ms. Xu and the interest-free shareholder loan at the total consideration of HK$141.5 million. Win Rich was incorporated for the purpose of entering into a purchase agreement and the leasing agreements with respect to the Aircraft. The relevant resolution was passed in a special general meeting of the Company held on 28 March 2014 by way of poll.

The completion of the Aircraft Acquisition took place on 7 April 2014. Details of which have been disclosed in the announcements of the Company dated 9 February 2014, 21 February 2014 and 7 April 2014 and the circular of the Company dated 12 March 2014.

Jeju Project

On 7 February 2014, the Company entered into the Shareholders Agreement with Landing Jeju and HBL to form a strategic partnership to develop, manage and operate the Jeju Project, pursuant to which, upon the SHA Completion, Landing Jeju is owned as to 50% by the Company and 50% by HBL. The issue of new shares by Landing Jeju to HBL constituted a deemed disposal by the Company.

The SHA Completion took place on 27 March 2014. Details of which have been disclosed in the announcements of the Company dated 9 February 2014 and 27 March 2014.

Casino Business

Jeju, Korea

On 22 March 2014, the Company entered into the MOU with Strategic Dragon, pursuant to which, with the term of six months after the signing date of the MOU (or such longer period as the parties to the MOU may mutually agree to in writing), Strategic Dragon had expressed its intention to sell, and the Company had expressed its intention to acquire the entire issued share capital of Ultra Matrix which, through its subsidiaries, would principally engage in the Casino Business.

The sale and purchase agreement dated 2 April 2014 and a supplemental agreement dated 16 June 2014 related to the Casino Acquisition were entered between Magical Gains as the purchaser, Strategic Dragon as the vendor, and the guarantor.

The completion of the Casino Acquisition took place on 16 June 2014 and the Group, through GEK, was then engaged in the Casino Business. Details of which have been disclosed in the announcements of the Company dated 22 March 2014, 3 April 2014 and 16 June 2014 respectively.

On 18 November 2014, Magical Gains, the Company and Pearl Concept entered into the Subscription and Loan Agreement, pursuant to which, Magical Gain had agreed to allot and issue and Pearl Concept had agreed to subscribe 100 shares in the capital of Magical Gain, representing 50% of the issued share capital of Magical Gains. The issue of new shares by Magical Gains to Pearl Concept constituted a deemed disposal by the Company.

Completion of the Subscription and Loan Agreement took place on 23 December 2014. Details of which have been disclosed in the announcements of the Company dated 18 November 2014, 21 November 2014 and 23 December 2014.

Gangwon-do, Korea

On 15 December 2014, the Company as the purchaser, entered into the Gangwon Sale and Purchase Agreement with Jumbo Prize pursuant to which Jumbo Prize had conditionally agreed to sell and transfer, and the Company had conditionally agreed to acquire, among others, the entire issued share capital of the Target Company at the consideration of HK$868,659,000. The Target Company, through its indirect subsidiary, owns and operates casino business now carried under the trade name of Alpensia Casino at Holiday Inn Resort in Pyeongchang, Gangwon-do Province, Korea pursuant to the casino license under the Tourism Promotion Act. A refundable deposit of HK$210,000,000 had been paid pursuant to the Gangwon Sale and Purchase Agreement. However, some of the conditions set out in the Gangwon Sale and Purchase Agreement had not been satisfied or waived and no extension of the long stop date had been agreed; hence, Gangwon Sale and Purchase Agreement lapsed on 28 February 2015 subsequently. Details of which have been disclosed in the announcements of the Company dated 15 December 2014 and 27 February 2015.

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

CAPITAL COMMITMENT

As at 31 December 2014, the Group had capital commitment of approximately HK$655,887,000 (2013: HK$1,558,398,000), 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 material capital commitment.

CONTINGENT LIABILITY

As at 31 December 2014, the Group did not have any material contingent liability (2013: HK$Nil).

CHARGES ON ASSETS

As at 31 December 2014, the Group pledged its property, plant and equipment, prepaid lease payments, intangible assets and properties under development of approximately HK$530,382,000 (2013: HK$26,711,000), approximately HK$15,494,000 (2013: HK$16,122,000), approximately HK$33,668,000 (2013: HK$37,008,000) and HK$nil (2013: HK$513,141,000), respectively, to secure the general borrowing facilities and finance lease payables.

Save as disclosed above, the Group did not have any 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 Hong Kong dollars, RMB, Korean Won and United States Dollar. 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 and United States Dollar in recent years, the Group will continue monitor the situation closely and will introduce suitable measures as and when appropriate.

The Group had limited exposure to interest rate fluctuation on bank borrowings and amount due to a non-controlling interest as at 31 December 2014, as the interest rates of the bank borrowings and amount due to a non-controlling interest are fixed throughout their respective loan term.

At 31 December 2014, the Group had finance lease payables that bear variable interests linked to London Inter-bank Borrowing Rates. Taking into account of the potential increase in interest rates, the Group will prudently consider additional derivative financial instruments to hedge against its interest rate risk exposure if and when appropriate.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2014, the Group had around 600 (2013: 600) full-time employees with total staff costs (including Directors remuneration) amounted to approximately HK$109,550,000 (2013: HK$50,319,000). Including management and administrative staff and production workers, most of the employees were stationed in the Korea while the rest were in Hong Kong and the PRC. 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.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 11 July 2010 (the "**Adoption Date**") (the "**Share Option Scheme**"). Apart from the Share Option Scheme, the Company has no other share option scheme currently in force. The purpose of the Share Option Scheme is to provide incentives or rewards to the participants, including any Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and any employees of the Group or any Invested Entity or Substantial Shareholder and any advisors, consultants, suppliers, customer, services providers of any member of the Group or any Invested Entity or Substantial Shareholder, and any other group or classes of participants at the sole discretion of the board, for their contribution to the Group and to enable the Group to attract and retain employees of appropriate qualifications and with necessary experience to work for the Group and any Invested Entity. Pursuant to the Share Option Scheme, the Board may invite any eligible person including any director and employee of the Group to take up options to subscribe for shares of the Company.

The Share Option Scheme shall be valid and effective for a period of ten years since its Adoption Date. The existing scheme mandate limit in respect of the granting of options to subscribe for shares of the Company under the Share Option Scheme has been refreshed at the annual general meeting of the Company held on 27 June 2014 which the total number of shares of the Company may be allotted and issued pursuant to the grant or exercises of the options under the Share Option Scheme shall not be exceed 10% of the shares of the Company in issue as at 27 June 2014, that is 1,819,625,387 shares of the Company.

On 15 December 2014, the Company granted the Options under the Share Option Scheme to the Grantees, which, subject to acceptance by the Grantees, would enable the Grantees to subscribe for an aggregate of 869,375,807 ordinary shares of the Company of HK$0.01 each in the share capital of the Company at the exercise price of HK$0.225 per new share. The Options granted are exercisable commencing from 15 December 2014 to 14 December 2024 (both dates inclusive). No Options will be exercisable after the expiry of the Option Period.

Out of the total 869,375,807 Options, 196,310,666 Options were granted to the Directors, including 186,962,539 Options being granted to Mr. Ng Kwok Fai and 9,348,127 Options being granted to Ms. Zhou Xueyun.

Other than as disclosed above, no other share options were granted nor exercised since the Adoption Date.

Subsequently on 8 January 2015, as approved by the Board and consented by each of the Grantees, the Company and the Grantees have agree that the grant of Options to be cancelled in its entirety. No Grantee has exercised the said Options prior to such cancellation.

Notwithstanding the above, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 30% of the issued share capital of the Company from time to time.

No participant shall be granted an option if the total number of Shares issued and to be issued upon exercise of the options granted and to be granted (including both exercised, cancelled and outstanding options) in any 12-month period up to and including the date of grant to such participant would exceed in aggregate 1% of the issued share capital of the Company for the time being unless the proposed grant has been approved by the shareholders of the Company in general meeting with the proposed grantee and his associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**")) abstaining from voting.

The subscription price in respect of any particular option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant option (and shall be stated in the letter containing the offer of the grant of the option) but in any case the subscription price shall not be less than the higher of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer of grant, which must be a trading day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) trading days immediately preceding the date of offer of grant; or (c) the nominal value of the shares of the Company.

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 2014.

CORPORATE GOVERNANCE

The Company is committed to uphold a high standard of corporate governance practices and business ethics in the belief that they are essential for maintaining and promoting investors' confidence and maximizing 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 regulatory requirements (both locally and internationally), and to fulfill its commitment to excellence in corporate governance.

During the year ended 31 December 2014, the Company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules, except for the following deviation:

Code Provision A.4.1

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term and are subject to re-election. The Company has not fully complied with code provision A.4.1, as one independent non-executive Director was not appointed for a specific term but is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws of the Company until 27 June 2014.

In order to compliance with this code, the independent non-executive Director signed an employment letter with the Company on 27 June 2014 after his re-election at the AGM and his term of office is fixed for a term of one year commenced from 27 June 2014 and is automatically renewable for successive terms of one year upon the expiry of the then current term and is subject to retirement by rotation at least once every three years at each annual general meeting in accordance with the Bye-Laws of the Company.

Accordingly, since 27 June 2014, the Company has been in compliance with this code provision.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") as set out in Appendix 10 of the Listing Rules as its model code for securities transactions by the Directors. The Company has made specific enquiry of all the Directors and all the 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, including Mr. Fok Ho Yin, Thomas (committee chairman), Ms. Zhang Xiaolan and Mr. Chen Lei.

There is no disagreement between the Board and the Audit Committee during the year. This annual results of the Group for the year ended 31 December 2014 had been reviewed by the Audit Committee and agreed by the auditor of the Company.

DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31 December 2014 (2013: nil).

PUBLICATION OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The annual report for the year ended 31 December 2014 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, 27 March 2015

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

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

\# *The English translation of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*