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 2017

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 2017.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2017

	Notes	**2017**	2016
		HK$'000	*HK$'000*
			(Restated)
Continuing operations			
Revenue	*3*	**896,250**	363,447
Cost of inventories sold		**(204,583)**	–
Other income and other gains, net	*4*	**85,312**	5,353
Gaming duties and other related taxes		**(24,264)**	(17,582)
Commission and allowances to gaming counterparties		**(56,006)**	(108,609)
Amortisation and depreciation		**(157,053)**	(61,234)
Employee benefit expenses		**(569,167)**	(303,689)
Other operating expenses		**(625,758)**	(613,326)
Changes in fair values of financial assets at fair value through profit or loss		**172,914**	(665,334)
Changes in fair values of investment properties		**40,305**	(45,956)
Share of result of an associate		**(122)**	–
Reversal of/(provision for) impairment of trade and other receivables, net		**209,041**	(2,184)
Returns on available-for-sale financial asset		**89,632**	–
Finance income, net	*6*	**3,589**	48,800
Loss before income tax	*5*	**(139,910)**	(1,400,314)
Income tax expenses	*7*	**(15,778)**	(6,590)
Loss for the year from continuing operations		**(155,688)**	(1,406,904)
Discontinued operations			
Profit for the year from discontinued operations	*13*	**656,910**	85,488
Profit/(loss) for the year		**501,222**	(1,321,416)
Profit/(loss) attributable to:			
Owners of the Company		**505,067**	(1,067,455)
Non-controlling interests		**(3,845)**	(253,961)
		501,222	(1,321,416)
(Loss)/earnings per share from continuing and discontinued operations attributable to owners of the Company			
Basic and diluted:	*8*		
From continuing operations		**HK(0.16) cents**	HK(5.18) cents
From continuing and discontinued operations		**HK0.51 cents**	HK(4.80) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2017

	2017 *HK$'000*	2016 *HK$'000* (Restated)
Profit/(loss) for the year	**501,222**	(1,321,416)
Other comprehensive income/(loss)		
Items that will not be subsequently reclassified to profit or loss:		
Remeasurements of employee benefit obligations	**(6,597)**	(285)
Items that have been reclassified or may be subsequently reclassified to profit or loss:		
Imputed interest on amount due to a shareholder	**–**	193,993
Currency translation differences	**1,373,586**	(450,718)
Revaluation of properties, plant and equipment upon transfer to investment properties, net	**85,256**	–
Change in fair value of available-for-sale financial asset	**89,632**	–
Release of reserve upon disposal of available-for-sale financial asset	**(89,632)**	–
Realisation of translation reserve upon disposals of subsidiaries	**118,687**	25
	1,570,932	(256,985)
Total comprehensive income/(loss) for the year	**2,072,154**	(1,578,401)
Total comprehensive income/(loss) attributable to:		
Owners of the Company	**2,075,274**	(1,279,646)
Non-controlling interests	**(3,120)**	(298,755)
	2,072,154	(1,578,401)
Total comprehensive income/(loss) for the year attributable to owners of the Company arises from:		
Continuing operations	**1,179,100**	(1,094,105)
Discontinued operations	**896,174**	(185,541)
	2,075,274	(1,279,646)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Notes	2017 HK$'000	2016 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**10,198,071**	3,437,671
Investment properties		**845,911**	239,800
Prepaid land lease payments		**–**	13,868
Goodwill		**5,798**	419,045
Intangible assets		**872,498**	1,734,441
Prepayments, trade and other receivables	*10*	**477,984**	21,037
Deferred income tax assets		**–**	11,763
Available-for-sale financial asset		**–**	117,000
		12,400,262	5,994,625
Current assets			
Inventories		**86,164**	52,057
Completed properties for sale		**1,267,895**	–
Properties under development		**260,448**	2,079,841
Prepayments, trade and other receivables	*10*	**537,573**	1,495,283
Amount due from a joint venture		**–**	87,116
Amount due from an associate		**16,708**	–
Financial assets at fair value through profit or loss		**319,015**	859,095
Income tax recoverable		**2,839**	2,715
Cash and cash equivalents		**4,338,022**	6,774,501
		6,828,664	11,350,608
Total assets		**19,228,926**	17,345,233
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**1,473,953**	2,056,588
Reserves		**14,682,795**	5,896,689
		16,156,748	7,953,277
Non-controlling interests		**–**	1,147,864
Total equity		**16,156,748**	9,101,141

	Notes	**2017**	2016
		HK$'000	*HK$'000*
LIABILITIES			
Non-current liabilities			
Trade and other payables	*11*	**46,667**	9,402
Bank and other borrowings		**1,965,155**	195,250
Amount due to a non-controlling interest		**–**	1,376,959
Amount due to a shareholder	*12*	**–**	5,361,193
Deferred income tax liabilities		**36,204**	181,733
		2,048,026	7,124,537
Current liabilities			
Trade and other payables	*11*	**1,001,094**	875,506
Bank and other borrowings		**19,424**	230,609
Income tax payable		**3,634**	13,440
		1,024,152	1,119,555
Total liabilities		**3,072,178**	8,244,092
Total equity and liabilities		**19,228,926**	17,345,233

Note:

1 GENERAL INFORMATION

The Group is principally engaged in development and operation of the integrated leisure and entertainment resort (the "**Integrated Resort Development**"); gaming and entertainment facilities (the "**Gaming Business**"); and property development (the "**Property Development**").

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 of the Company 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, 58th 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 was incorporated in the British Virgin Islands.

As at the date of this announcement, phase one construction of Jeju Shinhwa World in Korea has been completed. Shinhwa Theme Park started operating on 30 September 2017. Hotel facilities operating under the international hospitality brands of Somerset and Marriott and the Group's own Landing brand were opened during the fourth quarter of 2017.

The Group also disposed the Gaming Business in the United Kingdom (the "**UK**") and the business of design, manufacturing and sales of the light emitting diode ("**LED**") and semiconductor lighting related products (the "**Lighting Business**") in the People's Republic of China (the "**PRC**") during 2017, which related results were presented as discontinued operations.

Further, on 21 February 2018, the Group obtained conditional approval to relocate its Landing Casino currently located in Hyatt Regency Hotel to Jeju Shinhwa World.

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 assets, financial assets at fair value through profit or loss 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.

2.1 Changes in accounting policies 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 2017:

- Annual improvements to HKFRSs 2014 – 2016 cycle
- Disclosure initiative — Amendments to HKAS 7, and
- Recognition of deferred tax assets for unrealised losses — Amendments to HKAS 12

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

(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 2017 and have not been early adopted by the Group in preparing these consolidated financial statements. None of these new standards and amendments to standards and interpretations is expected to have a significant effect on the consolidated financial statements of the Group, except those 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 Group has reviewed its financial assets and liabilities and is expecting the following impact from the adoption of the new standard on 1 January 2018:

The financial assets held by the Group include equity investments currently measured at fair value through profit or loss which would likely continue to be measured on the same basis under HKFRS 9.

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

The new impairment model requires the recognition of impairment provisions based on expected credit losses ("**ECL**") rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets under HKFRS 15 'Revenue from Contracts with Customers', lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, by considering the recent track record of play, credit history and subsequent settlement by the individual player, the Group does not expect material change to the impairment provision for the gaming receivables.

The Group has assessed that its financial assets currently measured at amortised cost or fair value through profit or loss will continue with their respective classification and measurements upon the adoption of HKFRS 9.

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.

Date of adoption by Group

HKFRS 9 must be applied for financial years commencing on or after 1 January 2018. The Group will apply the new rules restrospectively from 1 January 2018, with the practical expedients permitted under the standard. Comparative figures for 2017 will not be restated.

(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 has accessed 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 services — the application of HKFRS 15 may result in the identification of separate performance obligations which could affect the timing of the recognition of revenue. The Group recognises revenue when (or as) a performance obligation is satisfied, that is, when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Based on the assessments undertaken to date, by considering the recent contract terms and applicable laws, the Group does not expect that the adoption of HKFRS 15 will have a material impact to the timing of the recognition of revenue based on the current business model of the Group as at 31 December 2017.

- Revenue from sales of completed properties held for sale are recognised when (or as) the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time. Based on the assessments undertaken to date, by considering the recent contract terms and applicable laws, the Group does not expect that the adoption of HKFRS 15 will have a material impact as the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

- 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. The Group has assessed that these costs are not likely to be significant to the contract.

At this stage, the Group has commenced an assessment of the impact of other new and amended standards and interpretations to existing standards and does not expect a significant impact on its results of operations and financial position.

Date of adoption by Group

HKFRS 15 is mandatory for financial years commencing on or after 1 January 2018. At this stage, the Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption, if any, will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated.

(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 the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK$25,091,000. 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.

Date of adoption by Group

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. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

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.

The Group is assessing the full impact of the new standards, new interpretations and amendments to standards and interpretations. According to the preliminary assessment, other than the assessment results of HKFRS 9, 15 and 16 stated above, none of these is expected to have a significant effect on the consolidated financial statements of the Group.

3 SEGMENT INFORMATION

The executive directors of the Company are considered to be 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 three operating segments as follows:

(a) Integrated Resort Development;

(b) Gaming Business; and

(c) Property Development.

The 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 profit or loss before income tax except that finance income, finance costs, changes in fair values of financial assets at fair value through profit or loss, 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 fair value through profit or loss, income tax recoverable, investment properties in Hong Kong, 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, amount 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 2017

	Integrated Resort Development *HK$'000*	Gaming Business *HK$'000*	Property Development *HK$'000*	Total *HK$'000*
Segment revenue:				
Sales to external customers	**69,681**	**235,801**	**590,768**	**896,250**
Segment results	**(566,213)**	**(117,015)**	**295,384**	**(387,844)**
Reconciliation:				
Finance income and unallocated income				**31,433**
Corporate and other unallocated expenses, net				**(323,696)**
Changes in fair values of financial assets at fair value through profit or loss				**172,914**
Changes in fair values of investment properties				**27,100**
Gain on disposals of subsidiaries				**39,885**
Reversal of impairment of other receivables				**210,788**
Share of results of an associate				**(122)**
Returns on available-for-sale financial asset				**89,632**
Loss before income tax from continuing operations				**(139,910)**
Segment assets	**9,788,326**	**2,061,988**	**1,528,342**	**13,378,656**
Reconciliation:				
Amount due from an associate				**16,708**
Financial assets at fair value through profit or loss				**319,015**
Cash and cash equivalents				**4,338,022**
Investment properties				**62,900**
Income tax recoverable				**2,839**
Other unallocated assets				**1,110,786**
Total assets				**19,228,926**
Segment liabilities	**815,899**	**109,328**	**39,217**	**964,444**
Reconciliation:				
Bank and other borrowings				**1,984,579**
Deferred income tax liabilities				**36,204**
Income tax payable				**3,634**
Other unallocated liabilities				**83,317**
Total liabilities				**3,072,178**
Other segment information:				
Depreciation and amortisation	**74,624**	**36,104**	**–**	**110,728**
Impairment of trade and other receivables, net	**–**	**1,747**	**–**	**1,747**

Year ended 31 December 2016

	Integrated Resort Development *HK$'000*	Gaming Business *HK$'000* (Restated)	Property Development *HK$'000*	Total *HK$'000* (Restated)
Segment revenue:				
Sales to external customers	–	363,447	–	363,447
Segment results	(93,571)	93,637	(404,640)	(404,574)
Reconciliation:				
Finance income and unallocated income				8,776
Corporate and other unallocated expenses, net				(293,370)
Changes in fair values of financial assets at fair value through profit or loss				(665,334)
Changes in fair values of investment properties				(45,956)
Gain on disposals of subsidiaries				144
Loss before income tax from continuing operations				(1,400,314)
Segment assets	2,620,480	1,207,489	2,079,841	5,907,810
Reconciliation:				
Amount due from a joint venture				87,116
Financial assets at fair value through profit or loss				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 from continuing operations				14,702,862
Total assets from discontinued operations				2,642,371
Total assets				17,345,233
Segment liabilities	375,561	75,134	–	450,695
Reconciliation:				
Amount due to a shareholder				5,361,193
Amount due to a non-controlling interest				1,376,959
Bank and other borrowings				230,609
Deferred income tax liabilities				181,733
Income tax payable				13,440
Other unallocated liabilities				219,205
Total liabilities from continuing operations				7,833,834
Total liabilities from discontinued operations				410,258
Total liabilities				8,244,092
Other segment information:				
Depreciation and amortisation	8,610	12,808	–	21,418
Impairment of trade and other receivables, net	–	2,184	–	2,184

Geographical Information

(a) Revenue from external customers

	For the year ended 31 December	
	2017	2016
	HK$'000	*HK$'000*
		(Restated)
South Korea	**896,250**	363,447
	896,250	363,447
Discontinued operations	**1,356,505**	1,357,200
	2,252,755	1,720,647

(b) Non-current assets

	As at 31 December	
	2017	2016
	HK$'000	*HK$'000*
Continuing operations:		
South Korea	**10,613,561**	2,842,212
Hong Kong	**428,784**	631,137
Others	**1,637**	–
	11,043,982	3,473,349
Discontinued operations	**–**	217,990
	11,043,982	3,691,339

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

The Group's revenue consists of the following:

	For the year ended 31 December	
	2017	2016
	HK$'000	*HK$'000*
		(Restated)
Revenue		
Gaming revenue	**235,801**	363,447
Integrated resort development *(Note)*	**69,681**	–
Property development	**590,768**	–
	896,250	363,447
Discontinued operations	**1,356,505**	1,357,200
	2,252,755	1,720,647

Note:

Revenue from integrated resort development mainly consists of hospitality, food and beverage and theme park operated in Jeju Shinhwa World.

4 OTHER INCOME AND OTHER GAINS, NET

	For the year ended 31 December	
	2017	2016
	HK$'000	*HK$'000*
		(Restated)
Exchange gain/(loss), net	**5,446**	(793)
Management fee income	**2,880**	2,400
Dividend income *(Note)*	**1,663**	2,265
Loss on step acquisition	**(1,317)**	–
Gain on disposal of subsidiaries *(Note 14)*	**39,885**	144
Loss on disposal of property, plant and equipment	**(112)**	(441)
Expenses recharged and rental for aircraft usage	**27,163**	–
Others	**9,704**	1,778
	85,312	5,353

Note: Dividend income represented dividend shares received from equity investments.

5 LOSS BEFORE INCOME TAX

	For the year ended 31 December	
	2017	2016
	HK$'000	*HK$'000*
		(Restated)
The loss before income tax is arrived at after charging:		
Auditor's remuneration		
— Audit services	**3,300**	3,500
— Non-audit services	**3,604**	3,037
Minimum lease payments under operating leases of land and buildings	**35,474**	29,059
Promotion expenses	**23,191**	22,136
Aircraft operating expenses	**34,424**	33,150
Legal and professional fees	**104,411**	99,278
Sales and marketing expenses	**193,816**	350,850

6 FINANCE INCOME, NET

	For the year ended 31 December	
	2017	2016
	HK$'000	*HK$'000*
		(Restated)
Interest expenses:		
— Bank borrowings	**(21,576)**	–
— Other borrowings	**(34,908)**	(62,992)
— Amount due to a non-controlling interest	**–**	(66,435)
— Imputed interest on loan from a shareholder	**(175,441)**	(18,551)
	(231,925)	(147,978)
Less: amounts capitalised on qualifying assets	**231,925**	147,978
Finance costs	**–**	–
Interest income:		
— Bank interest income	**2,539**	17,179
— Other interest income	**1,050**	31,621
Finance income	**3,589**	48,800
Finance income, net	**3,589**	48,800
Weighted average interest rate on capitalised borrowings (per annum)	**8%**	10%

7 INCOME TAX EXPENSES

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 2017 (2016: 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.

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 (2016: same).

	For the year ended 31 December	
	2017	2016
	HK$'000	*HK$'000*
		(Restated)
Current tax:		
South Korea Corporate Tax	**1,061**	6,772
Under/(over) provision in prior years:		
South Korea Corporate Tax	**11,389**	(182)
	12,450	6,590
Deferred tax	**3,328**	–
Income tax expenses	**15,778**	6,590

8 (LOSS)/EARNINGS PER SHARE

The comparative of weighted average number of ordinary shares in issue has been restated because of the rights issue which was completed on 26 April 2017.

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(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	
	2017	2016
	HK$'000	*HK$'000*
		(Restated)
From continuing operations	**(155,688)**	(1,152,379)
From discontinued operations	**660,755**	84,924
Profit/(loss) attributable to the owners of the Company	**505,067**	(1,067,455)

	2017	2016
	No. of shares	No. of shares
	'000	*'000*
		(Restated)
Weighted average number of ordinary shares in issue	**99,666,064**	22,251,607

Earnings/(loss) per share from continuing and discontinued operations attributable to owners of the Company.

Basis and diluted:		
From continuing operations	**HK(0.16) cents**	HK(5.18) cents
From discontinued operations	**HK0.67 cents**	HK0.38 cents
From continuing and discontinued operations	**HK0.51 cents**	HK(4.80) cents

(b) Diluted

Diluted earnings/(loss) per share for the year ended 31 December 2017 and 2016 were the same as the basic earnings/(loss) per share as there were no potential dilutive ordinary shares outstanding during the respective year.

9 DIVIDENDS

The Directors did not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: Nil).

10 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**8,461**	121,914
Bills receivables	**–**	3,234
Less: provision for impairment of trade receivables	**–**	(37,670)
Trade and bills receivables, net *(Note (i))*	**8,461**	87,478
Other receivables	**205,210**	48,387
Receivables from gaming customers *(Note (ii))*	**97,448**	1,201,925
Prepayments	**293,433**	61,320
VAT recoverable	**158,310**	82,459
Deposits	**33,651**	34,751
Restricted deposit for non-current borrowings	**219,044**	–
Trade and other receivables	**1,015,557**	1,516,320
Less: Non-current portion	**(477,984)**	(21,037)
Current portion	**537,573**	1,495,283

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.

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

	2017	2016
	HK$'000	*HK$'000*
Within 30 days	**8,356**	34,781
31 to 60 days	**–**	15,428
61 to 90 days	**–**	11,219
Over 90 days	**105**	26,050
	8,461	87,478

As at 31 December 2017, trade receivables of HK$3,202,000 (2016: HK$67,973,000) 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 2017, trade receivables of HK$5,240,000 (2016: HK$19,505,000) 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:

	2017	2016
	HK$'000	*HK$'000*
Less than 1 month past due	**5,135**	5,933
1 to 3 months past due	**–**	7,955
Over 3 months	**105**	5,617
	5,240	19,505

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

	2017	2016
	HK$'000	*HK$'000*
At the beginning of the year	**37,670**	36,633
Provision for impairment of trade receivables	**353**	3,502
Disposal of a subsidiary	**(38,285)**	–
Currency translation difference	**262**	(2,465)
At the end of the year	**–**	37,670

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

	2017	2016
	HK$'000	*HK$'000*
Receivables from gaming customers	**233,080**	1,352,942
Provision for impairment	**(135,632)**	(151,017)
Receivables from gaming customers, net	**97,448**	1,201,925

As at 31 December 2017, receivables from gaming customers of HK$16,858,000 (2016: HK$137,697,000) 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 settlement.

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

	2017	2016
	HK$'000	*HK$'000*
At the beginning of the year	**151,017**	–
Provision for impairment of gaming receivables, net	**1,747**	152,001
Disposal of a subsidiary	**(29,621)**	–
Currency translation difference	**12,489**	(984)
	135,632	151,017

As at 31 December 2017, receivables from gaming customers amounting to HK$135,632,000 (2016: HK$151,017,000) 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:

	2017	2016
	HK$'000	*HK$'000*
Less than 1 month past due	**–**	2,465
1 to 3 months past due	**4,837**	186,859
3 to 6 months past due	**42,682**	518,202
Over 6 months	**33,071**	356,702
	80,590	1,064,228

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.

11 TRADE AND OTHER PAYABLES

	2017	2016
	HK$'000	*HK$'000*
Trade payables	**14,946**	79,039
Pre-sale proceeds received from customers	**39,217**	285,188
Deposit received	**11,742**	217,452
Receipt in advance	**13,117**	–
Deferred revenue	**734**	–
Accrued expenses	**602,009**	79,784
Accrued employee benefits	**83,509**	71,877
Other tax payables	**95,897**	35,987
Other payables	**186,590**	115,581
Trade and other payables	**1,047,761**	884,908
Less: Non-current portion	**(46,667)**	(9,402)
Current portion	**1,001,094**	875,506

As at 31 December 2017, the ageing analysis of the trade payables based on the invoice date are as follows:

	2017	2016
	HK$'000	*HK$'000*
Within 30 days	**14,946**	31,886
31 to 60 days	**–**	15,596
61 to 90 days	**–**	12,273
Over 90 days	**–**	19,284
	14,946	79,039

12 AMOUNT DUE TO A SHAREHOLDER

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

The amount due to a shareholder are fully repaid during the year ended 31 December 2017.

13 DISCONTINUED OPERATIONS

	2017
	HK$'000
Disposal of Lighting Business *(Note (a))*	
— Loss from the operations up to the date of disposal	**(12,537)**
— Gain on disposal of Ace Winner Holdings Limited ("**Ace Winner**")	**16,861**
Disposal of Gaming Business in the UK *(Note (b))*	
— Profit from the operations up to the date of disposal	**205,520**
— Gain on disposal of Jolly Champion Holding Limited ("**Jolly Champion**")	**447,066**
	656,910

(a) Disposal of Lighting Business

On 5 May 2017, the Group completed the disposal of Ace Winner, a wholly owned subsidiary of the Company, at cash consideration of HK$50,000,000. Its results are presented in the consolidated income statement as a discontinued operation. Ace Winner and its subsidiaries (collectively, "**Ace Winner Group**") were principally engaged in the Lighting Business in the PRC.

Financial information relating to Ace Winner Group for the period to the date of disposal and the year ended 31 December 2016 are set out below. The statement of profit or loss and statement of cash flow distinguish discontinued operations from continuing operations and the respective comparative figures have been restated.

Profit or Loss Information

	Period ended 5 May 2017 *HK$'000*	Year ended 31 December 2016 *HK$'000*
Revenue	**88,200**	229,658
Expenses	**(100,737)**	(227,957)
(Loss)/profit before income tax from discontinued operations	**(12,537)**	1,701
Income tax credit	**–**	128
(Loss)/profit from discontinued operations	**(12,537)**	1,829
Gain on disposal of Ace Winner *(Note 14)*	**16,861**	–
	4,324	1,829
Gain/(loss) from discontinued operations attributable to:		
— Owners of the Company	**8,169**	1,265
— Non-controlling interests	**(3,845)**	564
	4,324	1,829

An analysis of the cash flows of discontinued operations is as follows:

	Period ended 5 May 2017 *HK$'000*	Year ended 31 December 2016 *HK$'000*
Operating cash flows	**17,866**	(1,261)
Investing cash flows	**(2,600)**	(11,062)
Financing cash flows	**(15,589)**	(5,398)
Total cash flows	**(323)**	(17,721)

(b) Disposal of Gaming Business in the UK

On 11 October 2017, the Group completed the disposal of the entire issued share capital of Jolly Champion, a wholly owned subsidiary of the Company, at cash consideration of HK$2,500,000,000. Its results are presented in the consolidated income statement as a discontinued operation. Jolly Champion and its subsidiaries (collectively, "**Jolly Champion Group**") were principally engaged in the Gaming Business in the UK.

Financial information relating to Jolly Champion Group for the period to the date of disposal and the year ended 31 December 2016 are set out below. The statement of profit or loss and statement of cash flow distinguish discontinued operations from continuing operations and the respective comparative figures have been restated.

Profit or Loss Information

	Period ended 11 October 2017 *HK$'000*	Year ended 31 December 2016 *HK$'000*
Revenue	**1,268,305**	1,127,542
Expenses	**(1,009,954)**	(1,043,525)
Profit before income tax from discontinued operations	**258,351**	84,017
Income tax	**(52,831)**	(358)
Profit from discontinued operations	**205,520**	83,659
Gain on disposal of Jolly Champion *(Note 14)*	**447,066**	–
	652,586	83,659
Gain from discontinued operations attributable to:		
— Owners of the Company	**652,586**	83,659

An analysis of the cash flows of discontinued operations is as follows:

	Period ended 11 October 2017 *HK$'000*	Year ended 31 December 2016 *HK$'000*
Operating cash flows	**279,504**	(222,341)
Investing cash flows	**(69,815)**	(9,345)
Financing cash flows	**(189,779)**	364,434
Total cash flows	**19,910**	132,748

14 DISPOSAL OF SUBSIDIARIES

Gain on disposal of subsidiaries:	2017 *HK$'000*
Continuing operations	
— Raising Tune Limited ("**Raising Tune**") *(Note (a))*	**39,878**
— Leisure Spring Investments Limited ("**Leisure Spring**") *(Note (b))*	**7**
	39,885
Discontinued operations	
— Ace Winner Group *(Note (c))*	**16,861**
— Jolly Champion Group *(Note (d))*	**447,066**

(a) On 31 August 2017, the Company completed the disposal of the entire issued share capital of Raising Tune, a wholly owned subsidiary of the Company, to an independent third party at a total consideration of HK$250,000,000. A gain on disposal of Raising Tune of approximately HK$39,878,000 was recognised in the consolidation income statement for the year ended 31 December 2017.

(b) On 16 November 2017, the Company completed the disposal of the entire issued share capital of Leisure Spring, a wholly owned subsidiary of the Company, to a related party which is controlled by an executive Director, at a total consideration of HK$1,000,000. A gain on disposal of Leisure Spring of approximately HK$7,000 was recognised in the consolidation income statement for the year ended 31 December 2017.

(c) On 5 May 2017, the Company completed the disposal of the entire issued share capital of Ace Winner, a wholly owned subsidiary of the Company, to an independent third party, at a total consideration of HK$50,000,000. A net gain on disposal of subsidiaries of approximately HK$16,861,000 was recognised in the consolidated income statement for the year ended 31 December 2017. The gain on disposal of subsidiaries is summarised as follows:

	2017
	HK$'000
Sale consideration	**50,000**
Less: Net assets disposed of:	
— Property, plant and equipment	**71,858**
— Deposits	**216**
— Prepaid land lease payments	**13,806**
— Inventories	**32,156**
— Trade and other receivables	**108,276**
— Cash and cash equivalents	**16,518**
— Trade and other payables	**(113,896)**
— Bank and other borrowings	**(73,289)**
Net assets disposed of	**55,645**
	(5,645)
Release of exchange reserve	**6,955**
Non-controlling interests	**17,424**
Gain on disposal of subsidiaries	**18,734**
Withholding tax on disposal of subsidiaries	**(1,873)**
Net gain on disposal of subsidiaries	**16,861**

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

	2017
	HK$'000
Cash consideration	**50,000**
Cash and cash equivalents disposed of	**(16,518)**
Net proceeds of disposal of subsidiaries	**33,482**

(d) On 11 October 2017, the Company completed the disposal of the entire issued share capital of Jolly Champion, a wholly owned subsidiary of the Company, to an independent third party, at a total consideration of HK$2,500,000,000. A net gain on disposal of subsidiaries of approximately HK$447,066,000 was recognised in the consolidated income statement for the year ended 31 December 2017. The gain on disposal of subsidiaries is summarized as follows:

	2017
	HK$'000
Sale consideration	**2,500,000**
Less: Net assets disposed of:	
— Property, plant and equipment	**180,249**
— Intangible assets	**1,043,453**
— Goodwill	**445,229**
— Deferred tax assets	**13,903**
— Inventories	**13,047**
— Prepayments and other receivables	**1,257,221**
— Cash and cash equivalents	**213,734**
— Other payables	**(995,495)**
— Income tax payables	**(54,701)**
— Deferred tax liabilities	**(189,347)**
Net assets disposed of	**1,927,293**
	572,707
Realisation of exchange reserve	**(125,641)**
Net gain on disposal of subsidiaries	**447,066**

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

	2017
	HK$'000
Cash consideration	**2,500,000**
Cash and cash equivalents disposed of	**(213,734)**
Net proceeds of disposal of subsidiaries	**2,286,266**

15 EVENT AFTER THE REPORTING PERIOD

On 21 February 2018, the Government of Jeju Special Self-Governing Province conditionally approved the Group to relocate its Landing Casino to Jeju Shinhwa World.

Save as disclosed herein, there is no other material event after the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the year ended 31 December 2017, the Group's consolidated revenue from continuing operations was approximately HK$896,250,000 (2016: approximately HK$363,447,000), representing an increase of 147% when compared to the year ended 31 December 2016. The profit attributable to the owners of the Company was approximately HK$505,067,000 (2016: loss of approximately HK$1,067,455,000). The significant turnaround of the results for the year was primarily attributable to (i) gain on disposal from discontinued operations in the UK; (ii) realised gain from available-for-sale financial assets; (iii) segment profit of property development arising from revenue recognition upon delivery of the properties to the purchasers; (iv) gain on fair value change of financial assets at fair value through profit or loss; (v) gain on fair value change of investment properties; and (vi) reversal of impairment of other receivables. The basic and diluted loss per share from continuing operations attributable to owners of the Company was HK0.16 cents (2016: loss per share of HK5.18 cents).

The revenue from discontinued operations amounted to approximately HK$1,356,505,000 for the year ended 31 December 2017 (2016: approximately HK$1,357,200,000). The Group completed the disposals of the entire equity interests of Ace Winner which was engaged in the Lighting Business and Jolly Champion which was engaged in the Gaming Business in May and October 2017 respectively. The gain on disposals was approximately HK$463,927,000 for the year ended 31 December 2017. The results are presented as discontinued operations in the consolidated financial information.

As at 31 December 2017, the consolidated net asset value per share attributable to the owners of the Company was approximately HK$0.16 (2016: HK$0.36 (restated)).

OPERATION AND BUSINESS REVIEW

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

Integrated Resort Development

The Company, through its subsidiary, Landing Jeju Development Co. Ltd ("**Landing Jeju**"), started investments in Jeju Shinhwa World ("**Jeju Shinhwa World**") in Jeju, South Korea in late 2013.

On 3 January 2017, the Group completed the acquisition of the entire issued share capital of Callisto Business Limited ("**Callisto**") (the "**Callisto Acquisition**"). Callisto is an investment holding company having a 100% equity interest in Happy Bay Pte. Ltd. ("**HBL**") which holds a 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 Jeju Shinhwa World provide the Company with a good opportunity to work towards the achievement of its business vision of becoming one of the global leaders in the tourism, leisure and entertainment industries, enhance the flexibility of the development of Jeju Shinhwa World and facilitate the build up of the Company's presence and goodwill in the integrated resort and tourism sector.

Jeju Shinhwa World is poised to be an iconic mega tourist attraction in Asia, offering a selection of upscale hotels with more than 2,000 luxurious guest rooms, villas, a destination spa, a convention centre equipped with full meeting and conference facilities, theme parks and a waterpark catering to all ages, and a retail and food complex housing one of the largest duty free shops in Jeju and offering visitors a wide variety of local and international cuisines. Jeju Shinhwa World is also home to one of the largest clusters of premium resort condominiums & villas in Jeju with self-contained neighborhood and leisure amenities.

As at the date of this announcement, Jeju Shinhwa World has commenced operations. Shinhwa Theme Park, in partnership with TUBAn Company Limited, the premier 3D animation company in South Korea, welcomed its first customers on 30 September 2017. Jeju Shinhwa World Landing Resort, Landing Convention Centre and YG Republique (which is a collaboration with YG Entertainment) were opened in November 2017 while Jeju Shinhwa World Marriot Resort and Shinhwa Shoppes were opened in December 2017. Jeju Shinhwa World Shinhwa Resort and Shinhwa Waterpark are scheduled to open in around the middle of 2018. The development and construction of Jeju Shinhwa World Four Seasons Resort & Spa and Lionsgate Movie World at Jeju Shinhwa World are ongoing and are expected to be completed in 2019/2020.

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

For the year ended 31 December 2017, Integrated Resort Development segment revenue of approximately HK$69,681,000 (2016: Nil) was generated from the business of Jeju Shinhwa World, which was mainly comprised of hospitality, food and beverage services and theme park ticket sales.

Gaming Business

Jeju, South Korea

For the year ended 31 December 2017, revenue generated from the business of Landing Casino was approximately HK$235,801,000 (2016: approximately HK$363,447,000). As at 31 December 2017, no impairment was made against the carrying amounts of the relevant goodwill, intangible asset and property, plant and equipment of the business of Landing Casino after assessment.

Total Gaming Business segment loss from continuing operations of approximately HK$117,015,000 (2016: segment profit of approximately HK$93,637,000) was generated from the business of Landing Casino for the year ended 31 December 2017.

London, the UK

On 28 April 2016, Jolly Champion acquired the entire issued share capital of Les Ambassadeurs Club Limited ("**Les A**"), which was principally engaged in the Gaming Business in the UK. On 11 October 2017, the Group completed the disposal of the entire issued share capital of Jolly Champion at a consideration of HK$2,500,000,000.

The Group recorded a disposal gain of approximately HK$447,066,000. In respect of this discontinued operation, a net profit for the year ended 31 December 2017 of approximately HK$205,520,000 (2016: approximately HK$83,659,000) was recorded to the Group before its disposal. Details of the results of this discontinued operation and disposal of Jolly Champion are presented in notes 13 and 14 to the consolidated financial information.

Property Development

The construction work for the resort condominiums and villas in zone R of Jeju Shinhwa World, which started in 2015, has been completed and the occupation permit was issued in January 2017. Following the grant of the Certificate of Accommodation Business in January 2017, Landing Jeju opened Somerset Jeju Shinhwa World ("**Somerset**"), the first world-class full-serviced resort condominium in Jeju, in April 2017.

The Company began selling and delivering resort condominiums in zone R to purchasers in 2017. For the year ended 31 December 2017, revenue of approximately HK$590,768,000 (2016: Nil) and profit of approximately HK$295,384,000 (2016: loss of approximately HK$404,640,000) were recorded in the Property Development segment. As at 31 December 2017, approximately HK$1,267,895,000 (2016: Nil) was classified as completed properties for sale.

Lighting Business

In view of the downturn of the LED lighting industry, the Group discontinued the Lighting Business by disposing of the entire issued share capital of Ace Winner, which through its subsidiaries was principally engaged in the Lighting Business in the PRC. The disposal was completed on 5 May 2017.

The Group recorded a gain from the disposal of approximately HK$16,861,000 for the year ended 31 December 2017. In respect of this discontinued operations, a net loss for the year ended 31 December 2017 of approximately HK$12,537,000 (2016: profit of approximately HK$1,829,000) was recorded to the Group before its disposal. Details of the results of the discontinued operations and disposal of Ace Winner are presented in notes 13 and 14 to the consolidated financial information.

OUTLOOK

Integrated Resort Development

In August 2017, Landing Jeju entered into (i) certain agreements with Four Seasons Hotels and Resorts Asia Pacific Pte Ltd and their affiliates, the world's leading luxury hospitality group, for the launch of a luxury Jeju Shinhwa World Four Seasons Resort & Spa in the heart of Jeju Shinhwa World, and (ii) a theme park development agreement with Lions Gate Entertainment Inc. ("**Lionsgate**"), a global entertainment and media leader, in relation to the development of Lionsgate's first branded outdoor theme park built exclusively around world-famous movies named 'Lionsgate Movie World' at Jeju Shinhwa World. Jeju Shinhwa World Four Seasons Resort & Spa and Lionsgate Movie World are expected to be opened in first half of 2020.

To continue the momentum of the phased openings and provide better product offerings to the customers of Jeju Shinhwa World, Landing Jeju plans to accelerate the construction of the waterpark, theme park hotel and dormitory and training facilities in 2018 (which were originally part of phase two of Jeju Shinhwa World planned to be completed in 2019).

Jeju Shinhwa World has partnered with Mr. Kwon Ji-yong (best known by his stage name of G-Dragon or GD), one of the most influential artists and a well-known leader in music and fashion trends in Korea and Asia, as the official brand ambassador to promote Jeju Shinhwa World via multiple marketing platforms. The highly anticipated GD cafe within the entertainment zone "YG Republique" is expected to open in late February 2018.

Jeju Shinhwa World will be built according to international standards and will provide a unique travel experience to all 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 Jeju Shinhwa World. As one of the six core projects in Jeju, Jeju Shinhwa World will become a world-class destination resort with premium leisure and entertainment facilities that caters to local and overseas visitors of all ages, and is expected to be one of the most popular tourism destinations in Northeast Asia.

Gaming Business

Despite the disposal of Les A on 11 October 2017, the Group remains firmly committed to its Gaming Business and continues to operate Landing Casino in Jeju, South Korea. The Group recognises that a casino is one of the most essential facilities within an integrated resort in order to offer its visitors a complete hospitality experience. In order to leverage and utilise current casino operation resources within the Group's business as a whole, the Group obtained conditional approval to relocate its Landing Casino currently located in Hyatt Regency Jeju Hotel to Jeju Shinhwa World on 21 February 2018, and increase the exclusive gaming floor area to approximately 5,500 square meters, about 7 times of its existing area of approximately 800 square meters. The Group will continue to develop the customer base to enhance the "Landing" brand as a world-class brand in the gaming and entertainment industries.

Property Development

The Group aims to provide a premium living environment for an intelligent lifestyle. The occupation permit for the Jeju Project's resort condominiums and villas in zone R has been obtained, and the Company hosted a ceremony handing over the keys to first batch buyers in March 2017. During the second half of 2017, the Group decided to delay the sales of the properties in order to focus on the progressive opening and marketing of the theme park, hotels and various entertainment facilities in Jeju Shinhwa World with the expectation that the successful opening and operation of the facilities and attractions within Jeju Shinhwa World would result in a better market for the sale of 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 2018.

2017 was a big year for the Company and our brand has continued to gain traction in the tourism, gaming and property development industries. Various world-class leisure and entertainment facilities will gradually open throughout 2018 to better position the Company not only in different industries but also to better serve guests from all around the globe.

The Company will keep looking for fund raising opportunities to 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 2017, the Group had non-current assets of approximately HK$12,400,262,000 (2016: approximately HK$5,994,625,000) and net current assets of approximately HK$5,804,512,000 (2016: approximately HK$10,231,053,000). The current ratio, expressed as the ratio of the current assets over the current liabilities, was 6.7 as at 31 December 2017 (2016: 10.1). The significant decrease in current ratio is mainly due to the decrease in current assets which were utilised in capital expenditures for long-term business operations during the year ended 31 December 2017.

For the year ended 31 December 2017, the reversal of impairment of trade and other receivables (net) from continuing operations amounted to approximately HK$209,041,000 (2016: provision for impairment of approximately HK$2,184,000). The reversal mainly represented the subsequent collection of the doubtful other receivables which were provided for prior years. As at 31 December 2017, the Group had trade and other receivables of approximately HK$1,015,557,000 (2016: approximately HK$1,516,320,000). As at 31 December 2017, the Group had bank balance and cash of approximately HK$4,338,022,000, with approximately HK$1,022,360,000, HK$2,028,250,000, HK$1,227,195,000 and HK$1,445,000 held in Hong Kong dollars ("**HKD**"), Korean Won ("**KRW**"), United States dollars ("**USD**") and UK pound sterling ("**GBP**") respectively and the remaining mainly held in Renminbi ("**RMB**") and Philippine Pesos ("**PHP**") (2016: approximately HK$6,774,501,000, with approximately HK$2,511,763,000, HK$850,682,000, HK$3,222,054,000 and HK$171,649,000 held in HKD, KRW, USD and GBP respectively and the remaining mainly held in RMB).

As at 31 December 2017, the Group has current trade and other payables of approximately HK$1,001,094,000 (2016: approximately HK$875,506,000) and bank and other borrowings in USD with floating interest rate of approximately HK$195,373,000 and in KRW with fixed interest rate of approximately HK$1,789,206,000 (2016: bank and other borrowings in RMB with fixed and floating rate of approximately HK$78,192,000, 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 of the Group amounted to approximately HK$3,072,178,000 (2016: approximately HK$8,244,092,000). The Group's gearing ratio, which was measured on the basis of the Group's total liabilities divided by total assets, was 16.0% (2016: 47.5%).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Investments

Financial assets at fair value through profit or loss

As at 31 December 2017, the Group was holding listed equity investments with a fair value of approximately HK$319,015,000 (2016: approximately HK$462,070,000) (representing approximately 1.66% of the total assets of the Company (2016: approximately 2.66%)), which were classified as financial assets at fair value through profit or loss of the Group. Realised gain of approximately HK$57,903,000 (2016: loss of approximately HK$127,490,000) and unrealised gain of approximately HK$176,163,000 (2016: loss of approximately HK$170,874,000) in respect of such investments were recorded in profit or loss during the year ended 31 December 2017. There was no single equity investment which had a fair value representing more than 2% of the total assets of the Company as at 31 December 2017.

During the year ended 31 December 2017, the Group fully redeemed an unlisted investment fund, Riverwood China Growth Fund, with a loss on disposal of approximately HK$61,152,000 (2016: approximately HK$ 82,026,000) recorded in profit or loss in respect of such financial asset at fair value through profit or loss. Due to downward movements of the fund price, an unrealised loss of approximately HK$284,944,000 was recorded as well during the year ended 31 December 2016. The fund was managed by the investment manager, Riverwood Asset Manager (Cayman) Limited, and the investment portfolio comprised both listed and unlisted equities, including equity related instruments of convertible bonds, preference shares and warrants. The fund invested primarily in companies located in the PRC, Hong Kong, Macau, Taiwan and Singapore.

Available-for-sale financial asset

During the year ended 31 December 2017, the Group recorded a realised gain of approximately HK$89,632,000 upon the close of an unlisted investment fund, which was classified as available-for-sale financial asset. The purpose of the fund was to carry on the business of investing, holding, monitoring and realising investments made with the principal objective of achieving a high rate of return through capital appreciation and through investments identified by the general partner that operated in or derived significant business opportunities from the financial services, natural resources and/or property investment sectors. There were no available-for-sale financial assets as at 31 December 2017.

Acquisitions

Callisto Acquisition and Autumnglow Acquisition

On 3 January 2017, the Group completed the major and connected acquisition of the entire issued share capital of Callisto at a total consideration of approximately HK$3,189,000,000. Callisto, through HBL, indirectly owns 50% of the issued share capital of Landing Jeju.

On 3 January 2017, the Group also completed the major and connected acquisition of 50% of the entire issued share capital of Autumnglow Pte. Ltd. ("**Autumnglow**") at a consideration of SGD1 (the "**Autumnglow Acquisition**").

Upon the completion of the Callisto Acquisition and the Autumnglow Acquisition, Callisto and Autumnglow became wholly-owned subsidiaries of the Company, and as a result, the Company now wholly owns Jeju Shinhwa World. Details have been disclosed in the circular and announcement of the Company dated 13 December 2016 and 3 January 2017 respectively.

Disposals

Disposal of Lighting Business

On 5 May 2017, the Group completed the discloseable disposal of the entire issued share capital of Ace Winner, which through its subsidiaries was engaged in the Lighting Business, at a consideration of HK$50,000,000. A gain on disposal of approximately HK$16,861,000 resulted from the disposal. After the disposal, the Company is no longer a shareholder of Ace Winner and the financial results, assets and liabilities of Ace Winner Group ceased to be consolidated into the consolidated financial statements of the Company. Details of this were disclosed in the announcement of the Company dated 28 April 2017.

Disposal of Gaming Business in the UK

On 11 October 2017, the Group completed the major disposal of the entire issued share capital of Jolly Champion which, through its indirect subsidiary, Les A, was engaged in the Gaming Business in the UK at a consideration of HK$2,500,000,000. A gain on disposal of approximately HK$447,066,000 resulted from the disposal. After the disposal, the Company is no longer a shareholder of Jolly Champion and the financial results, assets and liabilities of Jolly Champion Group ceased to be consolidated into the consolidated financial statements of the Company. Details of this were disclosed in the announcements and circular of the Company dated 7 September 2017 and 11 October 2017.

Save as disclosed above, there were no other significant investments, material acquisitions or disposals 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 announcements and comply with the relevant requirements under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as and when appropriate. 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:

	2017	2016
	HK$'000	*HK$'000*
Contracted, but not provided for:		
Property, plant and equipment	**1,164,317**	1,661,676
Properties under development	**90,424**	1,312,014
Available-for-sale financial asset	**–**	858,000
	1,254,741	3,831,690

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

CONTINGENT LIABILITY

As at 31 December 2017, the Group did not have any material contingent liabilities (2016: Nil).

PLEDGE OF ASSETS

As at 31 December 2017, 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:

	2017	2016
	HK$'000	*HK$'000*
Property, plant and equipment	**1,392,395**	435,436
Completed properties for sale	**1,267,895**	–
Prepaid land lease payment	**–**	14,234
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 cash flow management objective 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, KRW and USD. As at the date of this announcement, the Group has not entered into any agreement to hedge against the foreign exchange risk. In view of the fluctuation of RMB, KRW 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 fluctuations on bank and other borrowings as at 31 December 2017, as most of the interest rates applicable to the bank and other borrowings are fixed throughout their respective loan terms.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2017, the Group had around 1,950 (2016: 1,400) full-time employees with total staff costs (including Directors' remuneration) amounting to approximately HK$569,167,000 (2016: HK$303,689,000) including management and administrative staff and production workers from continuing operations. Most of the employees were stationed in South Korea and 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 a variety of training schemes to its employees.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of any listed securities of the Company by the Company or any of its subsidiaries during the year ended 31 December 2017.

CORPORATE GOVERNANCE

The Company is committed to upholding a high standard of corporate governance 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, to comply with increasingly stringent local and international regulatory requirements, and to fulfil its commitment to excellence in corporate governance. The Company has adopted and complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules during the year ended 31 December 2017 except for the following deviation.

On 26 June 2017, the Company failed to comply with Rule 3.10(1) and Rule 3.21 of the Listing Rules and the terms of reference of each of the audit committee, nomination committee and remuneration committee of the Company (the "**Board Committees**") after the retirement of Mr. Chen Lei as an independent non-executive Director and a member of each of the Board Committees. Following the appointment of Mr. Wong Chun Hung on 26 September 2017 as the independent non-executive Director and a member of each of the Board Committees, the Board comprises two executive Directors and three independent non-executive Directors. As a result, the number of independent non-executive Directors and the number of members of each of the Board Committees now comply with the requirements under Rule 3.10(1) and Rule 3.21 of the Listing Rules.

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 of the Company (the "**Audit Committee**") comprises three independent non-executive Directors: Mr. Fok Ho Yin, Thomas (Committee Chairman), Mr. Bao Jinqiao and Mr. Wong Chun Hung. The Group's accounting principles and practices, financial statements and related materials for the year ended 31 December 2017 have been reviewed by the Audit Committee and agreed to by the auditor of the Company. There were no disagreements 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 2017 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, 21 February 2018

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. Bao Jinqiao and Mr. Wong Chun Hung as independent non-executive Directors.

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