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Landing International Development Limited

藍鼎國際發展有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 582)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2018

	Notes	2018 HK$'000	2017 HK$'000 (Restated)
Continuing operations			
Revenue	4	**2,099,025**	840,244
Cost of inventories sold		**(183,816)**	(204,583)
Other income and gain/(loss), net	5	**(110,689)**	85,312
Gaming duties and other related taxes		**(328,901)**	(24,264)
Amortisation and depreciation		**(550,848)**	(157,053)
Employee benefit expenses		**(863,281)**	(569,167)
Other operating expenses		**(843,277)**	(625,758)
Changes in fair values of financial assets at fair value through profit or loss		**–**	172,914
Changes in fair values of investment properties		**215,160**	40,305
Share of result of an associate		**–**	(122)
(Provision for)/reversal of impairment of trade and gaming receivables, net		**(86,990)**	209,041
Returns on available-for-sale financial assets		**–**	89,632
Finance income, net	7	**19,863**	3,589
Loss before income tax	6	**(633,754)**	(139,910)
Income tax expenses	8	**(67,773)**	(15,778)
Loss for the year from continuing operations		**(701,527)**	(155,688)
Discontinued operations			
Profit for the year from discontinued operations		**–**	656,910
(Loss)/profit for the year		**(701,527)**	501,222
(Loss)/profit attributable to:			
Owners of the parent		**(701,527)**	505,067
Non-controlling interests		**–**	(3,845)
		(701,527)	501,222
(Loss)/earnings per share attributable to ordinary equity holders of the parent			(Restated)
Basic and diluted:	9		
From continuing operations		**HK(23.87) cents**	HK(7.81) cents
From continuing and discontinued operations		**HK(23.87) cents**	HK25.34 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2018

	2018	2017
	HK$'000	*HK$'000*
(Loss)/profit for the year	**(701,527)**	501,222
Other comprehensive (loss)/income		
Other comprehensive income that may be reclassified to profit or loss in subsequent period:		
Revaluation of properties, plant and equipment upon transfer to investment properties, net	**1,029**	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)
	1,029	85,256
Exchange differences:		
Exchange differences on translation of foreign operations	**(455,569)**	1,373,586
Realisation of translation reserve upon disposals of subsidiaries	**–**	118,687
	(455,569)	1,492,273
Net other comprehensive income that may be reclassified to profit or loss in subsequent period	**(454,540)**	1,577,529
Other comprehensive income that will not be reclassified to profit or loss in subsequent period:		
Remeasurements of employee benefit obligations	**(1,389)**	(6,597)
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(238,679)**	–
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**(240,068)**	(6,597)
Other comprehensive (loss)/income, net of tax	**(694,608)**	1,570,932
Total comprehensive (loss)/income for the year	**(1,396,135)**	2,072,154
Total comprehensive (loss)/income attributable to:		
Owners of the parent	**(1,396,135)**	2,075,274
Non-controlling interests	**–**	(3,120)
	(1,396,135)	2,072,154
Total comprehensive (loss)/income for the year attributable to owners of the parent arises from:		
Continuing operations	**(1,396,135)**	1,179,100
Discontinued operations	**–**	896,174
	(1,396,135)	2,075,274

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2018

	Notes	2018 HK$'000	2017 HK$'000
Non-current assets			
Property, plant and equipment		**11,828,231**	10,198,071
Investment properties		**1,225,514**	845,911
Goodwill		**5,567**	5,798
Intangible assets		**908,148**	872,498
Prepayments, trade and other receivables	*11*	**510,778**	477,984
Deferred tax assets		**38,577**	–
Equity investments designated at fair value through other comprehensive income		**80,336**	–
Total non-current assets		**14,597,151**	12,400,262
Current assets			
Inventories		**92,044**	86,164
Completed properties for sale		**1,080,950**	1,267,895
Properties under development		**248,105**	260,448
Prepayments, trade and other receivables	*11*	**428,768**	537,573
Amount due from an associate		**–**	16,708
Financial assets at fair value through profit or loss		**–**	319,015
Tax recoverable		**125,542**	2,839
Cash and cash equivalents		**1,098,459**	4,338,022
Total current assets		**3,073,868**	6,828,664
Current liabilities			
Trade and other payables	*12*	**971,027**	1,001,094
Interest-bearing bank and other borrowings		**1,109,440**	19,424
Tax payable		**9,064**	3,634
Total current liabilities		**2,089,531**	1,024,152
Net current assets		**984,337**	5,804,512
Total assets less current liabilities		**15,581,488**	18,204,774

	Notes	**2018** **HK$'000**	2017 HK$'000
Non-current liabilities			
Trade and other payables	*12*	**49,832**	46,667
Interest-bearing bank and other borrowings		**843,941**	1,965,155
Deferred tax liabilities		**85,454**	36,204
Total non-current liabilities		**979,227**	2,048,026
Net assets		**14,602,261**	16,156,748
EQUITY			
Equity attributable to owners of the parent			
Share capital	*13*	**29,350**	1,473,953
Reserves		**14,572,911**	14,682,795
Total equity		**14,602,261**	16,156,748

Note:

1 GENERAL INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands and continued in Bermuda and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). 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.

During the year, 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**").

In the opinion of the directors, Landing International Limited, a company incorporated in the British Virgin Islands, is the ultimate holding company of the Company.

2.1 BASIS OF PREPARATION

This financial information 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 ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and equity investments which have been measured at fair value. This financial information is presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*
HKFRS 9	*Financial Instruments*
HKFRS 15	*Revenue from Contracts with Customers*
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*
Amendments to HKAS 40	*Transfers of Investment Property*
HK(IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*
Annual Improvements 2014–2016 Cycle	Amendments to HKFRS 1 and HKAS 28

The Group applies, for the first time, HKFRS 15 *Revenue from Contracts with Customers* and HKFRS 9 *Financial Instruments* that require restatement of previous financial statements. The nature and effect of these changes are disclosed below.

Several other amendments and interpretations are applied for the first time in 2018, but do not have significant impact of this financial information of the Group.

HKFRS 9 ***Financial Instruments***

HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

With the exception of hedge accounting, which the Group has applied prospectively, the Group has recognised the transition adjustments against the applicable opening balances in equity at 1 January 2018. Therefore, the comparative information was not restated and continues to be reported under HKAS 39.

Classification and measurement

The following information sets out the impacts of adopting HKFRS 9 on the statement of financial position, including the effect of replacing HKAS 39's incurred credit loss calculations with HKFRS 9's expected credit losses ("**ECLs**").

A reconciliation between the carrying amounts under HKAS 39 and the balances reported under HKFRS 9 as at 1 January 2018 is as follows:

	HKAS 39 measurement				**HKFRS 9 measurement**	
	Category	**Amount**	**Reclassification**	**ECL**	**Amount**	**Category**
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	
Financial assets						
Equity investments designated at fair value through other comprehensive income	N/A	–	319,015	–	319,015	FVOCI[1]
From: Financial assets at fair value through profit or loss *(note)*			319,015	–		
Financial assets included in prepayment, trade and other receivables	L&R[2]	722,124	–	(2,371)	719,753	AC[4]
Amount due from an associate	L&R	16,708	–	–	16,708	AC
Financial assets at fair value through profit or loss	FVPL[3]	319,015	(319,015)	–	–	FVPL
To: Equity investments designated at fair value through other comprehensive income *(note)*			(319,015)	–		
Cash and cash equivalents	L&R	4,338,022	–	–	4,338,022	AC
Total financial assets		5,395,869	–	(2,371)	5,393,498	

1 FVOCI: Financial assets at fair value through other comprehensive income
2 L&R: Loans and receivables
3 FVPL: Financial assets at fair value through profit or loss
4 AC: Financial assets at amortised cost

Note: The Group has elected the option to irrevocably designated certain of its previous financial assets at fair value through profit or loss as equity investments at fair value through other comprehensive income.

There has been no impact on the classification and measurement of the Group's financial liabilities as a result of the adoption of HKFRS 9.

Impairment

The following table reconciles the aggregate opening impairment allowances under HKAS 39 to the ECL allowances under HKFRS 9.

	Impairment allowances under HKAS 39 at 31 December 2017 *HK$'000*	Remeasurement *HK$'000*	ECL allowances under HKFRS 9 at 1 January 2018 *HK$'000*
Financial assets included in prepayments, trade receivables and other receivables:			
Gaming receivable	135,632	2,371	138,003

Impact on accumulated losses

The impact of transition to HKFRS 9 on accumulated losses is as follows:

	HK$'000
Accumulated losses	
Balance as at 31 December 2017 under HKAS 39	2,016,453
Recognition of expected credit losses for trade and gaming receivables under HKFRS 9	2,371
Balance as at 1 January 2018 under HKFRS 9	2,018,824

HKFRS 15 *Revenue from Contracts with Customers*

HKFRS 15 and its amendments replace HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. HKFRS 15 establishes a new five-step model to account for 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 disclosures are included in note 4 to this financial information. As a result of the application of HKFRS 15, the Group has changed the accounting policy with respect to revenue recognition.

Under HKFRS 15, gaming revenue represents the net difference between gaming wins and losses. Commissions related directly to customers are recorded as a reduction to gaming revenue. Gaming contracts include a performance obligation to honor the patron's wager and typically include a performance obligation to provide a product or service to the patron on a complimentary basis under the Group's loyalty programs. For wagering contracts that include products and services provided to a patron in exchange for complimentary commissions or points earned under the Group's loyalty programs, the Group allocates the estimated stand-alone selling price of the complimentary commissions or points earned to the loyalty program liability. The loyalty program liability is a deferral of revenue until redemption occurs. Upon redemption of the complimentary commissions or loyalty program points for Group-owned products and services, the standalone selling price of each product or service is allocated to the respective revenue type. For redemption of the complimentary commissions or loyalty program points with third parties, the redemption amount is deducted from the loyalty program liability and paid directly to the third party.

The Group has adopted HKFRS 15 using the modified retrospective method of adoption. The effect of adopting HKFRS 15 has had no significant financial effect on this financial information.

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

(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 or expenses, changes in fair values of investment properties in Hong Kong or financial assets at fair value through profit or loss, share of result of an associate, reversal of impairment of other receivables, gain on disposals 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, equity investments designated as fair value through other comprehensive income, tax recoverable, deferred tax assets and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Year ended 31 December 2018

	Integrated Resort Development *HK$'000*	Gaming Business *HK$'000*	Property Development *HK$'000*	Total *HK$'000*
Segment revenue:				
Sales to external customers	**270,977**	**1,486,660**	**341,388**	**2,099,025**
Segment results	**(587,129)**	**82,974**	**160,471**	**(343,684)**
Reconciliation:				
Finance income and unallocated income, net				**32,336**
Corporate and other unallocated expenses, net				**(322,822)**
Changes in fair value of investment properties in Hong Kong				**300**
Gain on disposals of subsidiaries				**116**
Loss before income tax from continuing operations				**(633,754)**
Segment assets	**11,557,841**	**2,195,684**	**1,337,981**	**15,091,506**
Reconciliation:				
Equity investment designated at fair value through other comprehensive income				**80,336**
Cash and cash equivalents				**1,098,459**
Investment properties in Hong Kong				**251,200**
Tax recoverable				**125,542**
Deferred tax assets				**38,577**
Other unallocated assets				**985,399**
Total assets				**17,671,019**
Segment liabilities	**432,532**	**405,905**	**61,407**	**899,844**
Reconciliation:				
Bank and other borrowings				**1,953,381**
Deferred tax liabilities				**85,454**
Tax payable				**9,064**
Other unallocated liabilities				**121,015**
Total liabilities				**3,068,758**
Other segment information included in segment results:				
Depreciation and amortisation	**456,401**	**47,321**	**–**	**503,722**
Impairment of trade and other receivables, net	**22,780**	**64,210**	**–**	**86,990**
Changes in fair value of investment properties in South Korea	**214,860**	**–**	**–**	**214,860**

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	179,795	590,768	840,244
Segment results	(566,213)	(117,015)	295,384	(387,844)
Reconciliation:				
Finance income and unallocated income, net				31,433
Corporate and other unallocated expenses, net				(323,696)
Changes in fair value of financial assets at fair value through profit or loss				172,914
Changes in fair values of investment properties in Hong Kong				27,100
Gain on disposals of subsidiaries				39,885
Reversal of impairment of other receivables				210,788
Share of result 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 in Hong Kong				62,900
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 tax liabilities				36,204
Tax payable				3,634
Other unallocated liabilities				83,317
Total liabilities				3,072,178
Other segment information included in segment results:				
Depreciation and amortisation	74,624	36,104	–	110,728
Impairment of trade and other receivables, net	–	1,747	–	1,747
Changes in fair value of investment properties in South Korea	13,205	–	–	13,205

Geographical Information

(a) *Revenue from external customers*

	2018	2017
	HK$'000	*HK$'000*
South Korea	**2,099,025**	840,244

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

(b) *Non-current assets*

	2018	2017
	HK$'000	*HK$'000*
South Korea	**12,153,063**	10,613,561
Hong Kong	**786,653**	428,784
Others	**114,029**	1,637
	13,053,745	11,043,982

The non-current assets information above is based on the locations of the assets and excludes goodwill, intangible assets, prepayments, trade and other receivables, equity investments designated at fair value through other comprehensive income and deferred tax assets.

Information about Major Customers

During the year ended 31 December 2018, two external customer (2017: one), contributed over 10% of the Group's total revenue from gaming business segment. The revenue generated from the customer was amounted to HK$641,659,000 (2017: HK$336,958,000).

4 REVENUE

An analysis of revenue is as follows:

	2018	2017
	HK$'000	*HK$'000*
Revenue from contracts with customers	**2,080,759**	–
Integrated resort development	**–**	69,681
Gaming business	**–**	179,795
Property development	**–**	590,768
	2,080,759	840,244
Revenue from other sources		
Rental income	**18,266**	–
	2,099,025	840,244

Disaggregated revenue information

For the year ended 31 December 2018

Segments	**Integrated Resort Development**	**Gaming Business**	**Property Development**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Types of goods or services				
Hotel rooms	116,117	–	–	116,117
Theme park ticket sales	41,795	–	–	41,795
Food and beverage sales	94,799	25	–	94,824
Table games	–	1,452,934	–	1,452,934
Electronic machine games	–	28,506	–	28,506
Events	–	5,195	–	5,195
Sales of properties	–	–	335,613	335,613
Property management fee income	–	–	5,775	5,775
Total revenue from contracts with customers	252,711	1,486,660	341,388	2,080,759
Geographical markets				
South Korea	252,711	1,486,660	341,388	2,080,759
Timing of revenue recognition				
Goods transferred at a point in time	252,711	1,486,660	341,388	2,080,759

Details of contract liabilities as at 31 December 2018 and 1 January 2018 are as follows:

	Loyalty program liabilities 2018 *HK$'000*	Unredeemed chip liabilities 2018 *HK$'000*	Patrons deposits and other gaming liabilities 2018 *HK$'000*	Sales of goods and services 2018 *HK$'000*	Pre-sales of properties 2018 *HK$'000*	Total 2018 *HK$'000*
Balance at 1 January 2018	3,116	30,583	898	12,092	37,652	84,341
Increase/(decrease)	19,780	(7,344)	943	(2,890)	14,972	25,461
Balance at 31 December 2018	22,896	23,239	1,841	9,202	52,624	109,802

5 OTHER INCOME AND GAIN/(LOSS), NET

	2018 *HK$'000*	2017 *HK$'000*
Exchange (loss)/gain, net	**(41,753)**	5,446
Management fee income	**2,880**	2,880
Dividend income from equity investments at fair value through other comprehensive income	**897**	–
Dividend income from financial assets at fair value through profit or loss	**–**	1,663
Loss on step acquisition	**–**	(1,317)
Gain on disposal of subsidiaries	**116**	39,885
Loss on disposal of property, plant and equipment	**(13,758)**	(112)
Expenses recharged and rental for aircraft usage	**12,667**	27,163
Impairment of property, plant and equipment	**(85,015)**	–
Others	**13,277**	9,704
	(110,689)	85,312

6 LOSS BEFORE INCOME TAX

The Group's loss before tax is arrived at after charging:

	2018 *HK$'000*	2017 *HK$'000*
Cost of properties sold	**146,555**	194,636
Cost of inventories sold	**37,261**	9,947
Auditor's remuneration	**4,780**	3,300
Minimum lease payments under operating leases	**88,373**	35,474
Depreciation and amortisation	**550,848**	157,053
Employee benefit expenses (including directors' remuneration)	**863,281**	569,167

7 FINANCE INCOME, NET

	2018	2017
	HK$'000	*HK$'000*
Interest expenses:		
— Bank borrowings	**(26,393)**	(21,576)
— Other borrowings	**(7,333)**	(34,908)
— Imputed interest on loan from a shareholder	**–**	(175,441)
	(33,726)	(231,925)
Less: amounts capitalised on qualifying assets	**5,354**	231,925
Finance costs	**(28,372)**	–
Interest income:		
— Bank interest income	**3,896**	2,539
— Other interest income	**44,339**	1,050
Finance income	**48,235**	3,589
Finance income, net	**19,863**	3,589

8 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 2018 (2017: Nil). 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.

	2018	2017
	HK$'000	*HK$'000*
Current — South Korea		
Charge for the year	**40,258**	1,061
Underprovision in prior years	**–**	11,389
	40,258	12,450
Current — Elsewhere		
Underprovision in prior years	**73**	–
	40,331	12,450
Deferred tax	**27,442**	3,328
Income tax expenses	**67,773**	15,778

9 (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year.

	2018	2017
	HK$'000	*HK$'000*
From continuing operations	**(701,527)**	(155,688)
From discontinued operations	**N/A**	660,755
(Loss)/profit attributable to the owners of the parent	**(701,527)**	505,067

	2018	2017
	No. of shares	No. of shares
	'000	*'000*
		(Restated)
Weighted average number of ordinary shares in issue	**2,938,668**	1,993,321

(Loss)/earnings per share from continuing and discontinued operations attributable to owners of the parent:

	2018	2017
		(Restated)
Basic and diluted:		
From continuing operations	**HK(23.87) cents**	HK(7.81) cents
From discontinued operations	**N/A**	HK33.15 cents
From continuing and discontinued operations	**HK(23.87) cents**	HK25.34 cents

(b) Diluted

Diluted (loss)/earnings per share for the year ended 31 December 2018 and 2017 were the same as the basic (loss)/earnings per share as there were no potential dilutive ordinary shares outstanding during the respective year.

10 DIVIDENDS

The directors did not recommend the payment of a final dividend for the year ended 31 December 2018 (2017: Nil).

11 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Trade receivables	**35,993**	8,461
Less: provision for impairment of trade receivables	**(10,552)**	–
Trade receivables, net *(note (i))*	**25,441**	8,461
Other receivables	**34,049**	205,210
Receivables from gaming customers *(note (ii))*	**216,113**	97,448
Prepayments	**409,961**	293,433
VAT recoverable	**22,905**	158,310
Deposits	**38,124**	33,651
Restricted deposit for non-current borrowings	**93,546**	219,044
Prepaid lease payment	**99,407**	–
Prepayments, trade and other receivables	**939,546**	1,015,557
Less: Non-current portion	**(510,778)**	(477,984)
Current portion	**428,768**	537,573

Notes:

(i) Trade receivables

An ageing analysis of the trade receivables based on the invoice date and net of loss allowance, is as follows:

	2018	2017
	HK$'000	*HK$'000*
Within 30 days	**22,371**	8,356
31 to 60 days	**488**	–
61 to 90 days	**345**	–
Over 90 days	**2,237**	105
	25,441	8,461

(ii) Receivables from gaming customers

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

	2018	2017
	HK$'000	*HK$'000*
Current	**–**	16,858
Less than 1 month past due	**30,384**	–
1 to 3 months past due	**4,071**	4,837
3 to 6 months past due	**154,006**	42,682
Over 6 months	**27,652**	33,071
	216,113	97,448

12 TRADE AND OTHER PAYABLES

	2018 *HK$'000*	2017 *HK$'000*
Trade payables *(note)*	**4,580**	14,946
Pre-sale proceeds received from customer	**–**	39,217
Deposit received	**29,084**	11,742
Receipt in advance	**–**	13,117
Deferred revenue	**6,597**	734
Accrued expenses	**187,633**	602,009
Accrued employee benefits	**82,274**	83,509
Other tax payables	**397,633**	95,897
Other payables	**203,256**	186,590
Contract liabilities	**109,802**	–
Trade and other payables	**1,020,859**	1,047,761
Less: Non-current portion	**(49,832)**	(46,667)
Current portion	**971,027**	1,001,094

Note:

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

	2018 *HK$'000*	2017 *HK$'000*
Within 30 days	**4,580**	14,946

13 SHARE CAPITAL

	Number of shares in issue *'000*	Share capital *HK$'000*
Issued and fully paid:		
At 1 January 2018	147,395,275	1,473,953
Shares repurchased and cancelled *(note a)*	(650,340)	(6,503)
Share consolidation *(note b)*	(143,810,037)	(1,438,100)
At 31 December 2018	2,934,898	29,350

Notes:

a. During the year, the Company repurchased 650,340,000 (before the effect of Share Consolidation (defined below) which was completed on 4 July 2018) of its own shares on the Stock Exchange. The total amount paid to repurchase the shares was HK$155,981,000 and was charged to share premium within shareholders' equity. All the shares were cancelled during the year. Particulars of the shares repurchased are as follows:

Month of repurchase	**Number of ordinary shares repurchased**	**Purchase price paid per share**		**Aggregate consideration paid***
		Highest	**Lowest**	
	'000	*HK$*	*HK$*	*HK$'000*
April 2018	650,340	0.242	0.223	155,981

* Excluding brokerage and cancellation fees

b. On 3 July 2018, the special resolution was passed at the special general meeting of the Company to (a) consolidate every fifty issued ordinary shares of HK$0.01 each in the issued share capital of the Company into one consolidated share (the "**Consolidated Shares**") of HK$0.50 each in the issued share capital of the Company (the "**Share Consolidation**"); (b) upon completion of Share Consolidation, reduce the issued share capital of the Company by (i) rounding down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by cancelling any fraction of a Consolidated Share in the issued share capital of the Company; and (ii) cancelling the paid up capital of the Company to the extent of HK$0.49 on each of the issued Consolidated Shares such that the par value of each issued Consolidated Share will be reduced from HK$0.50 to HK$0.01 (collectively, the "**Capital Reorganisation**"). The Capital Reorganisation became effective on 4 July 2018.

14 COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified and restated to conform with the current year's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the year ended 31 December 2018, the Group's consolidated revenue from continuing operations was approximately HK$2,099,025,000 (2017: approximately HK$840,244,000 (restated)), representing an increase of approximately 150% when compared to the year ended 31 December 2017. The loss attributable to the owners of the Company was approximately HK$701,527,000 (2017: profit of approximately HK$505,067,000). The net loss was mainly attributable to (i) the absence of approximately HK$657 million profit for the year ended 31 December 2017 from discontinued operations of lighting business in the People's Republic of China and gaming business in the United Kingdom; (ii) the absence of approximately HK$209,041,000 net amount of reversal of impairment of trade and other receivables contributed to the year ended 31 December 2017; (iii) fair value changes of equity investments were reclassified from fair value through profit or loss to fair value through other comprehensive income for the year ended 31 December 2018, as the Group elected to present the fair value changes in other comprehensive income under new Hong Kong Financial Reporting Standards effective from 1 January 2018; and (iv) increase in operating expenditures, amortization and depreciation charges due to progressive opening of various facilities in Jeju Shinhwa World. The basic and diluted loss per share from continuing operations attributable to owners of the Company was HK23.87 cents (2017: loss per share of HK7.81 cents (restated)).

There was no discontinued operation during the current year 2018. The revenue from discontinued operations amounted to approximately HK$1,356,505,000 for the year ended 31 December 2017. The Group completed the disposals of the entire equity interests of Ace Winner Holdings Limited which was engaged in the operations of the lighting business in relation to the design, manufacturing and sales of light-emitting diodes (LED) and semiconductor lighting related products and Jolly Champion Holding Limited 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 were presented as discontinued operations in the consolidated financial information for the year ended 31 December 2017.

As at 31 December 2018, the consolidated net asset value per weighted average number of ordinary shares in issue attributable to the owners of the Company was approximately HK$4.97 (2017: HK$8.11 (restated)).

OPERATION AND BUSINESS REVIEW

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

Integrated Resort Development

The Company, through its subsidiary, Landing Jeju Development Co., Ltd. has been investing in Jeju Shinhwa World in Jeju, South Korea since late 2013.

Jeju Shinhwa World is an iconic and premium family-oriented integrated resort in Northeast Asia, offering a selection of premium hotels and villas, a convention centre equipped with full meeting and conference facilities, many attractions including a theme park, a waterpark, a Korean food, beverage, leisure and entertainment complex and Transformers Autobot Exhibition, a retail and food and beverage complex housing a duty-free outlet and offering visitors a variety of local and international cuisines and a casino.

Since progressively opening in 2017, during the year 2018, the hotels in Jeju Shinhwa World welcomed many guests from Korea and the Asian region including China, Taiwan, Hong Kong, Macau, Japan, Singapore and Malaysia. During tourism peak months, the hotels recorded high occupancy rates and have received good commentary from customers.

After the opening in September 2017, Shinhwa Theme Park has attracted visitors from Korea and the Asian region. In an effort to attract and drive more visitors to the theme park, it organised a series of events including New Year's Eve Countdown Party and a 2018 FIFA World Cup Football event. It also introduced new rides and attractions like the Ice Rink in winter months and bumper cars in summer months.

Shinhwa Waterpark, Transformers Autobots Alliance Exhibition and the new Somerset Clubhouse opened in August 2018. Shinhwa Waterpark is the largest waterpark in Jeju, featuring approximately 18,000 square metres ("**m^2**") of space. It features a wave pool, water slides, rides, spa, kid pool and a private cabana area, suitable for visitors of all ages. The Transformers Autobots Alliance Exhibition is a walk-through interactive exhibition featuring popular Transformers characters. The exhibition is a completely immersive and educational experience that brings visitors into the world of Transformers. The new Somerset Clubhouse features both indoor and outdoor swimming pools, a traditional Korean bath house (jimjilbang) and an Italian restaurant.

The MICE business continued to maintain growth momentum through experiential offerings. During the year, Landing Convention Centre hosted several high-profile regional and national events. Its corporate and international clients were global market leaders from the pharmaceutical, financial and communications industries.

For the year ended 31 December 2018, Jeju Shinhwa World regularly attracted many local and foreign visitors to its Shinhwa Theme Park and waterpark, Transformer Autobot Exhibition, Shinhwa World Hotels and Resorts, YG Republique, MICE facilities in Landing Convention Centre, and generated segmental revenue of approximately HK$270,977,000 (2017: approximately HK$69,681,000), which was mainly generated from its hotels, MICE events, food and beverage services, attraction theme parks and merchandise sales as well as leases of retail spaces in the resort.

Gaming Business

Landing Casino, Jeju, South Korea

The Group obtained approval on 21 February 2018 to relocate Landing Casino from Hyatt Regency Jeju Hotel to Jeju Shinhwa World and relocated on 25 February 2018. Since its relocation, Landing Casino has attracted many customers from the Asian region and ramping up its efforts to enhance the gaming experience for its customers. The exclusive gaming area increased to approximately 5,500 m^2, which is about 7 times larger than its previous location at Hyatt Regency Jeju Hotel, and offers customers a total of 155 gaming tables together with 239 cutting-edge slot machines and electronic table games.

For the year ended 31 December 2018, Landing Casino achieved net revenue of approximately HK$1,486,660,000 (2017: approximately HK$179,795,000 (restated)). The segment profit from the Gaming Business was approximately HK$82,974,000 (2017: loss approximately HK$117,015,000 from continuing operations).

As at 31 December 2018, no impairment was made against the carrying amounts of the relevant goodwill, intangible assets and property, plant and equipment of the business of Landing Casino after assessment.

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.

For the year ended 31 December 2018, revenue from sales of residential properties amounted to approximately HK$341,388,000 (2017: approximately HK$590,768,000) and a profit of approximately HK$160,471,000 (2017: approximately HK$295,384,000) was recorded in the Property Development segment.

As at 31 December 2018, approximately HK$1,080,950,000 (2017: approximately HK$1,267,895,000) was classified as completed properties for sale.

OUTLOOK

For the year ended 2018, over 13.0 million domestic tourists visited Jeju (source: Jeju Special Self-Governing Provincial Tourism Association). Overseas tourists were mainly from China, Japan, Malaysia, Thailand, Taiwan and other Asian jurisdictions. We believe that visitors from China would grow as long as the relationship between South Korea and China continues to develop positively. New routes or additional flights from Macau, Guangzhou and Taiwan were launched from July 2018 onwards, thereby improving the connectivity between Jeju and these regions.

The Group's flagship resort, Jeju Shinhwa World, will continue to ramp up its businesses and operations. It will continue to actively introduce more exciting activities and events at Jeju Shinhwa World to attract more customers and strengthen its market presence.

It is expected that Jeju Shinhwa World's new resort hotel, Shinhwa Resort, will open in the second quarter of 2019. The Shinhwa Resort will feature over 500 rooms furnished with modern amenities. Together with Marriott Resort, Landing Resort and Somerset Service Condominiums, Jeju Shinhwa World will offer over 2,000 rooms in total to visitors by the end of this year.

For Gaming Business, Landing Casino shall regularly organise regional and global poker and baccarat gaming tournaments as part of its ongoing efforts to promote and position Jeju Shinhwa World as a desirable destination resort.

For Property Development arm, the Group will continue its marketing efforts in selling its remaining residential properties.

Beyond Korea, on 25 July 2018, the Company's wholly owned subsidiary, Landing Resorts Philippines Development Corporation ("**Landing Philippines**"), was granted a provisional license from the Philippine Amusement and Gaming Corporation (PAGCOR) to operate a casino at an integrated leisure and entertainment resort within the Entertainment City in Barangay Tambo, City of Parañaque, the Philippines. It is planned to be a family-oriented integrated leisure and entertainment resort which consists of a casino, an indoor cultural theme park and waterpark featuring the Philippines' rich history, culture and heritage, Asia's first and largest indoor movie-based theme park, a world-class state-of-the-art convention centre, luxury hotels and international retail and dining. In August 2018, the President of the Philippines has expressed his dissatisfaction with the terms of the lease contract entered by Landing Philippines. As at the date of this announcement, the Company has not received any official decision from the Government of the Philippines regarding this matter, the Company will inform the shareholders or potential investors of the Company in case any progress of such project.

Moving ahead, as the Group focuses on ramping up its business and operations in Jeju Shinhwa World, the Group will continue to seek other suitable business opportunities.

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2018, the Group had non-current assets of approximately HK$14,597,151,000 (2017: approximately HK$12,400,262,000) and net current assets of approximately HK$984,337,000 (2017: approximately HK$5,804,512,000). The current ratio, expressed as the ratio of the current assets over the current liabilities, was 1.5 as at 31 December 2018 (2017: 6.7). The decrease in the current ratio is mainly due to the decrease in cash and cash equivalents and the increase in current bank and other borrowings for capital expenditures during the year ended 31 December 2018.

For the year ended 31 December 2018, the provision for impairment of trade and other receivables (net) amounted to approximately HK$86,990,000 (2017: reversal for impairment from continuing operations of approximately HK$209,041,000). The provisions mainly consisted of overdue receivables with long aging periods and the reversal represented a subsequent collection of bad debt from trade and other receivables which was made in prior years. As at 31 December 2018, the Group had prepayments, trade and other receivables of approximately HK$939,546,000 (2017: approximately HK$1,015,557,000). As at 31 December 2018, the Group had bank balance and cash of approximately HK$1,098,459,000, with approximately HK$388,354,000, HK$301,910,000, HK$385,110,000 and HK$13,926,000 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**") (2017: 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 HKD, KRW, USD and GBP respectively and the remaining mainly held in RMB and PHP).

As at 31 December 2018, the Group had current trade and other payables of approximately HK$971,027,000 (2017: approximately HK$1,001,094,000) and bank and other borrowings in USD with floating interest rate of approximately HK$170,029,000 and in KRW with fixed interest rate of approximately HK$1,783,352,000 (2017: 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) while total liabilities of the Group amounted to approximately HK$3,068,758,000 (2017: approximately HK$3,072,178,000). The Group's gearing ratio, which was measured on the basis of the Group's total liabilities divided by total assets, was 17.4% (2017: 16.0%).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Investments

Equity investments designated at fair value through other comprehensive income

The Group has reclassified the equity investments previously classified at fair value through profit or loss to fair value through other comprehensive income. As at 31 December 2018, the Group was holding listed equity investments at a fair value of approximately HK$80,336,000 (representing approximately 0.5% of the total assets of the Company), which were classified as equity investments designated at fair value through other comprehensive income of the Group (31 December 2017: approximately HK$319,015,000 was classified as financial assets at fair value through profit or loss). Net fair value losses in respect of such investments of approximately HK$238,679,000, which was mainly resulted from the downward movement of stock price of the equity investment in Kingston Financial Group Limited (the shares of which are listed on main board of the Stock Exchange, stock code: 1031), were recognised in condensed consolidated statement of comprehensive income during the year ended 31 December 2018. There was no single equity investment representing more than 0.5% of the total assets of the Company as at 31 December 2018.

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

The Company will make further announcements and comply with the relevant requirement under the Rules Governing the Listing of Securities of the Stock Exchange (the "**Listing Rules**") as and when appropriate in case there is any investment(s) being identified and entered into by the Group. The Company does not rule out the possibility that the Company will conduct debt and/or equity fundraising exercises when suitable fundraising 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:

	2018	2017
	HK$'000	*HK$'000*
Contracted, but not provided for:		
Property, plant and equipment	**579,579**	1,164,317
Properties under development	**131,992**	90,424
	711,571	1,254,741

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

CONTINGENT LIABILITY

As at 31 December 2018, the Group did not have any material contingent liabilities (2017: Nil).

PLEDGE OF ASSETS

As at 31 December 2018, 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:

	2018	2017
	HK$'000	*HK$'000*
Property, plant and equipment	**2,016,811**	1,392,395
Completed properties for sale	**1,266,714**	1,267,895

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

CASH FLOW MANAGEMENT AND LIQUIDITY RISK

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

CURRENCY AND INTEREST RATE STRUCTURE

Business transactions of the Group are mainly denominated in HKD, KRW, USD, RMB and PHP. Currently, the Group has not entered into any agreement to hedge against foreign exchange risk. In view of the fluctuation of KRW, USD, RMB and PHP 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 2018, as the interest rates applicable to the bank and other borrowings are mostly fixed throughout their respective loan terms.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2018, the Group had around 1,950 (2017: around 1,950) full-time employees with total staff costs (including Directors' remuneration) amounting to approximately HK$863,281,000 (2017: approximately HK$569,167,000) including management and administrative staff. The employees were mainly 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.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to 31 December 2018 which would materially affect the Group's operating and financial performance as of the date of this announcement.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2018, the Company repurchased a total of 650,340,000 (before the effect of Share Consolidation which was completed on 4 July 2018) ordinary shares of the Company on the Stock Exchange at an aggregate consideration of approximately HK$155,981,000 and all repurchased shares were cancelled on 24 April 2018.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

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 2018.

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**") is comprised of three independent non-executive Directors, namely 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 2018 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 2018 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, 29 March 2019

As at the date of this announcement, the Board comprises Mr. Yang Zhihui (Chairman), Ms. Zhou Xueyun, Ms. Xu Ning and Ms. Chan Mee Sze as executive Directors; and Mr. Fok Ho Yin, Thomas, Mr. Bao Jinqiao and Mr. Wong Chun Hung as independent non-executive Directors.