Landing International Development Limited
藍 鼎 國 際 發 展 有 限 公 司
(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 582)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2019

The board of directors (the "**Directors**") (the "**Board**") of Landing International Development Limited (the "**Company**") hereby presents the unaudited condensed consolidated results of the Company and its subsidiaries (together, the "**Group**") for the six months ended 30 June 2019 together with the comparative figures for the corresponding period in 2018. The audit committee of the Company (the "**Audit Committee**") has reviewed and discussed with the management of the Company the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2019.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2019

	Notes	For the six months ended 30 June 2019 HK$'000 (Unaudited)	2018 HK$'000 (Unaudited)
Revenue	4	**347,448**	1,752,488
Cost of inventories sold		**(60,806)**	(95,417)
Other income and gains/(loss), net	5	**(16,259)**	36,020
Gaming duties and other related taxes		**(12,579)**	(290,352)
Amortisation and depreciation		**(326,167)**	(232,474)
Employee benefit expenses		**(359,221)**	(412,360)
Other operating expenses		**(333,968)**	(394,844)
Finance (costs)/income, net	6	**(106,991)**	33,441
Changes in fair value of investment properties		**(200)**	1,400
Impairment of trade and other receivables, net		**(23,912)**	(648)
(Loss)/profit before tax	7	**(892,655)**	397,254
Income tax credit/(expense)	8	**57,064**	(116,683)
(Loss)/profit for the period attributable to owners of the parent		**(835,591)**	280,571
(Loss)/earnings per share attributable to owners of the parent			
Basic	10	**(HK28.47) cents**	HK9.54 cents
Diluted	10	**(HK28.47) cents**	HK9.54 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2019

	For the six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(Loss)/profit for the period	**(835,591)**	280,571
Other comprehensive (loss)/income		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(474,367)**	(491,237)
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(474,367)**	(491,237)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Remeasurements of employee benefit obligations	**325**	267
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(11,229)**	(222,757)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(10,904)**	(222,490)
Other comprehensive loss for the period, net of tax	**(485,271)**	(713,727)
Total comprehensive loss for the period attributable to owners of the parent	**(1,320,862)**	(433,156)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

	Notes	**30 June 2019 *HK$'000* (Unaudited)**	31 December 2018 *HK$'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**11,258,178**	11,828,231
Right-of-use assets		**714,658**	–
Investment properties	*12*	**1,197,089**	1,225,514
Goodwill		**5,348**	5,567
Intangible assets	*13*	**872,879**	908,148
Equity investments designated at fair value through other comprehensive income		**69,107**	80,336
Prepayments, trade and other receivables	*14*	**421,917**	510,778
Deferred tax assets		**86,559**	38,577
Total non-current assets		**14,625,735**	14,597,151
CURRENT ASSETS			
Inventories		**87,148**	92,044
Completed properties for sale		**997,298**	1,080,950
Properties under development		**246,377**	248,105
Prepayments, trade and other receivables	*14*	**277,834**	428,768
Tax recoverable		**29**	125,542
Cash and cash equivalents		**1,371,146**	1,098,459
Total current assets		**2,979,832**	3,073,868
CURRENT LIABILITIES			
Trade and other payables	*15*	**888,733**	971,027
Interest-bearing bank and other borrowings	*16*	**20,881**	1,109,440
Lease liabilities		**19,661**	–
Tax payable		**2,954**	9,064
Total current liabilities		**932,229**	2,089,531
Net current assets		**2,047,603**	984,337
Total assets less current liabilities		**16,673,338**	15,581,488

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As at 30 June 2019

	Notes	30 June 2019 HK$'000 (Unaudited)	31 December 2018 HK$'000 (Audited)
NON-CURRENT LIABILITIES			
Trade and other payables	*15*	**117,301**	49,832
Interest-bearing bank and other borrowings	*16*	**2,573,590**	843,941
Lease liabilities		**619,306**	–
Deferred tax liabilities		**81,742**	85,454
Total non-current liabilities		**3,391,939**	979,227
Net assets		**13,281,399**	14,602,261
EQUITY			
Equity attributable to owners of the parent			
Share capital		**29,350**	29,350
Reserves		**13,252,049**	14,572,911
Total equity		**13,281,399**	14,602,261

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2019

1 GENERAL INFORMATION

Landing International Development Limited (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**").

During the period, the Company and its subsidiaries (collectively, the "**Group**") are principally engaged in development and operation of integrated leisure and entertainment resort (the "**Integrated Resort Development**"), gaming club and entertainment facilities (the "**Gaming Business**") and property development (the "**Property Development**").

2 BASIS OF PREPARATION

The condensed consolidated interim financial information for the six months ended 30 June 2019 have been prepared in accordance with Hong Kong Accounting Standards ("**HKAS**") 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

The condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2018, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which also include HKASs and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance, except for the adoption of the revised HKFRSs as of 1 January 2019 as disclosed in note 3 below. The Group has not yet early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

The condensed consolidated interim financial information for the six months ended 30 June 2019 has been prepared under the historical cost convention, except for investment properties and equity investments, which have been measured at fair value. The condensed consolidated interim financial information are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of new and revised HKFRSs effective as of 1 January 2019.

HKFRS 16	*Leases*
Amendments to HKFRS 9	*Prepayment Features with Negative Compensation*
Amendments to HKAS 19	*Plan Amendment, Curtailment or Settlement*
Amendments to HKAS 28	*Long-term Interests in Associates and Joint Ventures*
HK(IFRIC)-Int 23	*Uncertainty over Income Tax Treatments*
Annual Improvements 2015–2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Other than as explained below regarding the impact of HKFRS 16, the adoption of above new and revised standards have no significant financial effect on the condensed consolidated interim financial information. The nature and impact of HKFRS 16 are described below:

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases — Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group adopted HKFRS 16 using the modified retrospective method of adoption with the date of initial application on 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of accumulated losses at 1 January 2019, and the comparative information for 2018 was not restated and continues to be reported under HKAS 17.

New definition of a lease

Under HKFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee — Leases previously classified as operating leases

(a) Nature of the effect of adoption of HKFRS 16

The Group has operating lease contracts for land and buildings, which were used by the Group for operation. As a lessee, the Group previously classified lease as operating lease based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for the lease, except for two elective exemptions for leases of low value assets (elected on a lease by lease basis) and short-term leases (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for leases, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

As a lessee — Leases previously classified as operating leases (continued)

(b) Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019.

The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments and initial direct costs relating to the lease recognised in the consolidated statement of financial position immediately before 1 January 2019. All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the consolidated statement of financial position.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 January 2019:

— Applied the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application.

— used hindsight in determining the lease term where the contract contains options to extend/terminate the lease.

The impacts arising from the adoption of HKFRS 16 as at 1 January 2019 are as follows:

	Increase/ (decrease) *HK$'000* (Unaudited)
Assets	
Increase in right-of-use assets	733,210
Decrease in prepayment, trade and other receivables	(128,217)
Increase in total assets	604,993
Liabilities	
Increase in lease liabilities	604,993
Increase in total liabilities	604,993

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

As a lessee — Leases previously classified as operating leases (continued)

(c) Summary of new accounting policies

The accounting policy for leases as disclosed in the annual financial statements for the year ended 31 December 2018 is replaced with the following new accounting policies upon adoption of HKFRS 16 from 1 January 2019:

Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term.

Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

4 SEGMENT INFORMATION

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

(a) Integrated Resort Development;

(b) Gaming Business; and

(c) Property Development.

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

The following tables present revenue and results information regarding the Group's operating segments for the six months ended 30 June 2019 and 2018, respectively:

For the six months ended 30 June 2019

	Integrated Resort Development *HK$'000* (Unaudited)	Gaming Business *HK$'000* (Unaudited)	Property Development *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue:				
Sales to external customers	**182,158**	**79,829**	**85,461**	**347,448**
Segment results	**(513,452)**	**(212,336)**	**23,038**	**(702,750)**
Reconciliation:				
Unallocated corporate income				**21,678**
Unallocated corporate expenses				**(104,592)**
Finance costs, net				**(106,991)**
Loss before tax				**(892,655)**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

4 SEGMENT INFORMATION (continued)

For the six months ended 30 June 2018

	Integrated Resort Development *HK$'000* (Unaudited)	Gaming Business *HK$'000* (Unaudited)	Property Development *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Segment revenue:				
Sales to external customers	163,930	1,405,087	183,471	1,752,488
Segment results	(312,830)	754,786	84,348	526,304
Reconciliation:				
Unallocated corporate income				43,482
Unallocated corporate expenses				(205,973)
Finance income, net				33,441
Profit before tax				397,254

	For the six months ended 30 June **2019** ***HK$'000*** **(Unaudited)**	2018 *HK$'000* (Unaudited)
Gross revenue from Gaming Business before reduction of rebates, commissions and allowances to customers and gaming counterparties	**163,935**	2,410,365
Less: Rebates, commissions and allowances to customers and gaming counterparties	**(84,106)**	(1,005,278)
	79,829	1,405,087
Revenue from:		
Integrated Resort Development	**182,158**	163,930
Property Development	**85,461**	183,471
Net revenue	**347,448**	1,752,488

4 SEGMENT INFORMATION (continued)

Geographical information

Revenue from external customers

	For the six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
South Korea	**347,448**	1,752,488

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

Information about major customers

During the six months ended 30 June 2019, none of the external customers contributed over 10% of the Group's total revenue.

During the six months ended 30 June 2018, one of the external customers contributed over 10% of the Group's total revenue. The revenue generated from this customer amounted to HK$175,491,000.

5 OTHER INCOME AND GAINS/(LOSS), NET

	For the six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Exchange (loss)/gains, net	**(15,156)**	12,479
Management fee income	**1,440**	1,440
Dividend income from equity investments designated at fair value through other comprehensive income	**57**	43
Expenses recharged and rental for aircraft usage	**–**	12,667
Gain on disposal of an associate	**–**	135
Others	**(2,600)**	9,256
	(16,259)	36,020

6 FINANCE (COSTS)/INCOME, NET

	For the six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest expenses:		
— Lease liabilities	**(41,705)**	–
— Bank and other borrowings	**(65,939)**	(77,521)
Less: Amounts capitalised on qualifying assets	**–**	70,445
Finance costs	**(107,644)**	(7,076)
Interest income:		
— Bank and other interest	**653**	40,517
Finance income	**653**	40,517
Finance (costs)/income, net	**(106,991)**	33,441

7 (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging:

	For the six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Minimum lease payments under operating leases of land and buildings	**9,026**	22,097
Aircraft operating expenses	**20,303**	20,978
Depreciation — Property, plant and equipment and amortisation	**296,720**	232,474
Depreciation — Right-of-use assets	**29,447**	–
Legal and professional fee	**7,979**	30,452
Promotion expenses	**1,036**	1,478
Sales and marketing expenses	**21,273**	71,745

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

8 INCOME TAX

No Hong Kong profits tax has been provided as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2019 and 2018. Taxation on overseas profits have been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

	For the six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax		
— PRC	**–**	75
— South Korea	**790**	197,962
Deferred tax	**(57,854)**	(81,354)
Total tax (credit)/charge for the period	**(57,064)**	116,683

9 DIVIDENDS

The Board does not recommend the payment of any dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

10 (LOSS)/EARNINGS PER SHARE

The calculation of basic and diluted (loss)/earnings per share are based on:

	For the six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(Loss)/earnings attributable to owners of the parent, used in the basic and diluted (loss)/earnings per share calculation:	**(835,591)**	280,571
Number of shares	***'000***	*'000*
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic and diluted (loss)/earnings per share calculation	**2,934,898**	2,942,499

For the six months ended 30 June 2019 and 2018, diluted (loss)/earnings per share were the same as basic (loss)/earnings per share as there was no potential dilutive potential shares outstanding during the respective period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

11 PROPERTY, PLANT AND EQUIPMENT

	HK$'000 (Unaudited)
Net book amount as at 31 December 2018 and 1 January 2019	**11,828,231**
Additions	**180,820**
Disposals	**(9,995)**
Depreciation	**(296,591)**
Transfer from investment properties	**1,280**
Transfer to investment properties	**(10,267)**
Exchange realignment	**(435,300)**
Net book amount as at 30 June 2019	**11,258,178**

12 INVESTMENT PROPERTIES

	HK$'000 (Unaudited)
As at 31 December 2018 and 1 January 2019	**1,225,514**
Transfer from property, plant and equipment	**10,267**
Transfer to property, plant and equipment	**(1,280)**
Changes in fair value of investment properties	**(200)**
Exchange realignment	**(37,212)**
As at 30 June 2019	**1,197,089**

13 INTANGIBLE ASSETS

	HK$'000 (Unaudited)
As at 31 December 2018 and 1 January 2019	**908,148**
Additions	**614**
Amortisation	**(129)**
Exchange realignment	**(35,754)**
As at 30 June 2019	**872,879**

14 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	30 June 2019 *HK$'000* **(Unaudited)**	31 December 2018 *HK$'000* (Audited)
Trade receivables	**48,762**	35,993
Less: Loss allowance for impairment of trade receivables	**(10,136)**	(10,552)
Trade receivables, net *(Note (i))*	**38,626**	25,441
Receivables from gaming customers *(Note (ii))*	**137,515**	216,113
Other receivables	**80,222**	34,049
Prepayments	**326,831**	409,961
Value-added tax recoverable	**20,175**	22,905
Deposits	**27,973**	38,124
Restricted deposit for non-current borrowings	**68,409**	93,546
Prepaid lease payments	**–**	99,407
Prepayments, trade and other receivables	**699,751**	939,546
Less: Non-current portion	**(421,917)**	(510,778)
Current portion	**277,834**	428,768

Notes:

(i) Trade receivables, net

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

	30 June 2019 *HK$'000* **(Unaudited)**	31 December 2018 *HK$'000* (Audited)
Within 30 days	**28,519**	22,371
31 to 60 days	**315**	488
61 to 90 days	**4,786**	345
Over 90 days	**5,006**	2,237
	38,626	25,441

14 PREPAYMENTS, TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

(ii) Receivables from gaming customers

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

	30 June 2019 *HK$'000* **(Unaudited)**	31 December 2018 *HK$'000* (Audited)
Neither past due nor impaired	**–**	–
Less than 1 month past due	**–**	30,384
1 to 3 months past due	**–**	4,071
3 to 6 months past due	**14,921**	154,006
Over 6 months past due	**122,594**	27,652
	137,515	216,113

15 TRADE AND OTHER PAYABLES

	30 June 2019 *HK$'000* **(Unaudited)**	31 December 2018 *HK$'000* (Audited)
Trade payables *(Note (i))*	**3,761**	4,580
Deposit received	**25,021**	29,084
Deferred revenue	**227**	6,597
Accrued expenses	**12,672**	187,633
Accrued employee benefits	**155,895**	82,274
Other tax payables	**407,100**	397,633
Other payables *(Note (ii))*	**310,875**	203,256
Contract liabilities	**90,483**	109,802
Trade and other payables	**1,006,034**	1,020,859
Less: Non-current portion	**(117,301)**	(49,832)
Current portion	**888,733**	971,027

Notes:

(i) An ageing analysis of the Group's trade payables at the end of the reporting period, based on invoice date, is as follows:

	30 June 2019 *HK$'000* **(Unaudited)**	31 December 2018 *HK$'000* (Audited)
Within 30 days	**3,761**	4,580

(ii) The other payables are non-interest bearing and have an average term of 1 month.

16 INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2019	31 December 2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Bank loans — secured	**2,434,188**	809,278
Other loans — secured	**160,283**	1,144,103
Bank and other borrowings	**2,594,471**	1,953,381
Less: Non-current portion	**(2,573,590)**	(843,941)
Current portion	**20,881**	1,109,440

Bank and other borrowings are secured by the Group's property, plant and equipment amounting to HK$1,739,365,000 (31 December 2018: HK$2,016,811,000), investment properties amounting to HK$32,273,000 (31 December 2018: Nil) and completed properties for sale amounting to HK$860,634,000 (31 December 2018: HK$1,080,950,000).

The effective interest rates of the Group's borrowings are ranging from 5.98% to 6.59% (31 December 2018: 5.00% to 6.39%) per annum.

17 COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments:

	30 June 2019	31 December 2018
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Contracted, but not provided for:		
Property, plant and equipment	**453,763**	579,579
Properties under development	**106,340**	131,992
	560,103	711,571

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the six months ended 30 June 2019, the Group's consolidated revenue was approximately HK$347,448,000 (2018: approximately HK$1,752,488,000), representing a decrease of around 80% when compared to the corresponding period in 2018. This decrease in revenue for the period was mainly attributable to the reduced revenue from the Gaming Business. During the six months ended 30 June 2019, non-gaming revenue was approximately HK$267,619,000 (2018: approximately HK$347,401,000) while gaming revenue was approximately HK$79,829,000 (2018: approximately HK$1,405,087,000).

In current period, the loss attributable to the owners of the parent was approximately HK$835,591,000 (2018: profit of approximately HK$280,571,000). The basic and diluted loss per share attributable to the owners of the parent was HK28.47 cents (2018: earnings of HK9.54 cents). The net loss was mainly attributable to (i) decrease in net revenue from gaming business; (ii) decrease in revenue from sales of residential properties; (iii) decrease in interest income and increase in finance cost; and (iv) increase in amortization and depreciation charges due to progressive opening of various facilities in Jeju Shinhwa World.

As at 30 June 2019, the consolidated net asset value of the Company was approximately HK$13,281,399,000 (31 December 2018: approximately HK$14,602,261,000) and the consolidated net asset value per weighted average number of ordinary shares in issue attributable to owners of the Company was approximately HK$4.53 (31 December 2018: approximately HK$4.97).

OPERATION AND BUSINESS REVIEW

The Company is an investment holding company, and during the period, 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**"), has been investing in Jeju Shinhwa World, an integrated resort located in Jeju Island, South Korea since late 2013.

Jeju Shinhwa World is an iconic world-class resort destination in Northeast Asia comprising of a selection of premium hotels, convention & exhibition centre, retail mall, food & beverage outlets, leisure and entertainment complex, theme park & water park, and the largest foreigners-only casino in Jeju.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

OPERATION AND BUSINESS REVIEW (continued)

Integrated Resort Development (continued)

The hotels and condominiums in Jeju Shinhwa World have been opening progressively since 2017 and received guests from all over the world. More than 2,000 high quality guest rooms and suites are currently in operation including own brand label Landing Resort, the first and only five-star rated Marriott resort and full-serviced Somerset suites in Jeju. The hotels are strategically positioned to cater for all segments of guests visiting the resort. All hotels in the resort have consistently ranked high in reviews by the guests and won multiple commendations from the hospitality industry. Shinhwa Resort is the latest addition to the selection of hotels and it was officially opened on 29 July 2019 to cater for waterpark enthusiasts. The infinity pool in Shinhwa Resort has quickly become a big draw to the visitors with its spectacular view of Jeju's natural horizon during the day and its DJ pool party events in the evening. The spectacular view of Jeju's natural horizon distinguish Jeju Shinhwa World as the best integrated resort in Northeast Asia.

After its opening in September 2017, Shinhwa Theme Park attracted both domestic and foreign tourists. The park is themed with Larva characters from the popular local animated production. It offers more than 15 amazing rides and attractions for children and families with add-on seasonal attractions such as ice rink in winter months and bumper cars in summer months. The theme park is also an ideal venue for large scale events and has been used for New Year's Eve countdown party, FIFA World Cup soccer event, dinner function for USPGA golf tournament, etc.

Shinhwa Waterpark is the newest and largest waterpark in Jeju with 18,000 square metres of space. It features a wave pool, water slides, rides, spa, kid pool and a private cabana area suitable for visitors of all ages. Since its opening in August 2018, Shinhwa Waterpark has anchored itself to be the first-choice water park attraction in Jeju attracting more than 4,000 visitors during peak days.

Jeju Shinhwa World also houses the most food and beverage outlets under one roof in Jeju, offering a wide selection of local and international cuisines including the most authentic Cantonese restaurant well-liked by both tourists and local residents which is helmed by an award-winning master chef. Jeju Shinhwa World operates 12 of the 14 three-star Standards of Food Safety Management Accreditation (SFSMA) certificates issued by the Korea Agency of HACCP Accreditation and Services (KAHAS), fully demonstrating the highest quality assurance standards upheld by the resort.

The MICE business continues to maintain growth momentum through experiential offerings. Capitalising on the largest column-free ballroom in Jeju and the adjacent conference room facilities, Landing Convention Centre in Jeju Shinhwa World has been the host venue for many high-profile regional and national events. Due to Jeju's close proximity with major cities in China and visa-free policy, Landing Convention Centre has attracted various conference and incentive groups from China. Its corporate and international clients were global market leaders from the pharmaceutical, financial and communications industries.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

OPERATION AND BUSINESS REVIEW (continued)

Integrated Resort Development (continued)

For the six months ended 30 June 2019, Jeju Shinhwa World generated segmental revenue of approximately HK$182,158,000 (2018: approximately HK$163,930,000), which mainly came 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. Segment loss of the Integrated Resort Development was approximately HK$513,452,000 (2018: approximately HK$312,830,000).

Gaming Business

The Group obtained approval and relocated Landing Casino from Hyatt Regency Jeju Hotel to Jeju Shinhwa World on 25 February 2018 with exclusive gaming area approximately 5,500 square meters. Landing Casino is currently the largest foreigners-only casino in Jeju with 155 gaming tables, 239 slot machines and electronic table games. Since its relocation, Landing Casino has attracted customers from all over the Asian region including VIPs who have never visited Jeju before. With its scale and international standard gaming equipment and best practices, Landing Casino has hosted some of the biggest gaming tournaments in the industry which were attended by some of the most famous professional players from every part of the world.

For the six months ended 30 June 2019, Landing Casino recorded net revenue of approximately HK$79,829,000 (2018: approximately HK$1,405,087,000) and segment loss from the Gaming Business was approximately HK$212,336,000 (2018: profit of approximately HK$754,786,000).

As at 30 June 2019, 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 six months ended 30 June 2019, revenue from sales of residential properties amounted to approximately HK$85,461,000 (2018: approximately HK$183,471,000) and segment profit of approximately HK$23,038,000 (2018: approximately HK$84,348,000) was recorded in the Property Development segment.

As at 30 June 2019, approximately HK$997,298,000 (31 December 2018: approximately HK$1,080,950,000) was classified as completed properties for sale.

OUTLOOK

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.

Jeju Shinhwa World's new resort hotel, Shinhwa Resort, features over 500 rooms furnished with modern amenities and an infinity pool with a breath-taking view of Jeju's natural horizon. Together with Marriott Resort, Landing Resort and Somerset Service Condominiums, Jeju Shinhwa World offers over 2,000 rooms in total to meet various demands of visitors. In the fourth quarter 2019, a seasonal garden park will be introduced to capitalise on the increasingly popular nature tourism.

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. Intensified marketing promotions, events, reward scheme, competitive mass and VIP gaming programs will launch to energise the business in second half of the year.

For Property Development arm, the Group will keep abreast of the market trend to 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 Paranaque, the Philippines. 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.

OUTLOOK (continued)

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

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2019, the Group had non-current assets of approximately HK$14,625,735,000 (31 December 2018: approximately HK$14,597,151,000) and net current assets of approximately HK$2,047,603,000 (31 December 2018: approximately HK$984,337,000). The current ratio, expressed as a ratio of the current assets over the current liabilities, was 3.2 (31 December 2018: 1.5). The increase in the current ratio is mainly due to the decrease in short-term bank and other borrowings as a result of refinancing.

For the six months ended 30 June 2019, the loss allowance of impairment of trade and other receivables (net) from gaming customers amounted to approximately HK$23,912,000 (2018: approximately HK$648,000) and these provisions mainly consisted of overdue receivables with long ageing periods. As at 30 June 2019, the Group had prepayments, trade and other receivables of approximately HK$699,751,000 (31 December 2018: approximately HK$939,546,000). As at 30 June 2019, the Group had bank balances and cash of approximately HK$1,371,146,000 with approximately HK$50,587,000, HK$865,286,000, HK$448,397,000 held in Hong Kong dollars ("**HKD**"), Korean Won ("**KRW**"), and Renminbi ("**RMB**"), respectively and the remaining funds mainly held in UK pound sterling ("**GBP**"), United States dollars ("**USD**"), and Philippine Pesos ("**PHP**") (31 December 2018: 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 HKD, KRW, USD and GBP respectively and the remaining funds mainly held in RMB and PHP).

As at 30 June 2019, the Group had current trade and other payables of approximately HK$888,733,000 (31 December 2018: approximately HK$971,027,000) and bank and other borrowings in USD with floating interest rate of approximately HK$160,283,000 and in KRW with fixed interest rate of approximately HK$2,434,188,000 (31 December 2018: 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) while total liabilities of the Group amounted to approximately HK$4,324,168,000 (31 December 2018: approximately HK$3,068,758,000). The Group's gearing ratio, as measured on the basis of the Group's total liabilities divided by total assets, was 24.6% (31 December 2018: 17.4%).

As at 30 June 2019 and the date of this announcement, the total number of issued ordinary shares of the Company was 2,934,898,710 shares with a nominal value of HK$0.01 each.

CAPITAL COMMITMENTS

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

	30 June 2019 *HK$'000* **(Unaudited)**	31 December 2018 *HK$'000* (Audited)
Contracted, but not provided for:		
Property, plant and equipment	**453,763**	579,579
Properties under development	**106,340**	131,992
	560,103	711,571

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

CONTINGENT LIABILITY

As at 30 June 2019, the Group did not have any material contingent liability (31 December 2018: Nil).

PLEDGE OF ASSETS

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

	30 June 2019 *HK$'000* **(Unaudited)**	31 December 2018 *HK$'000* (Audited)
Property, plant and equipment	**1,739,365**	2,016,811
Investment properties	**32,273**	–
Completed properties for sale	**860,634**	1,080,950

SEGMENT INFORMATION

Details of segment information of the Group for the six months ended 30 June 2019 are set out in note 4 to the condensed consolidated interim financial information.

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 financing, as appropriate. The Group is comfortable with the present financial and liquidity position, and will continue to maintain a reasonable liquidity buffer to ensure sufficient funds are available to meet liquidity requirements at all times.

CURRENCY AND INTEREST RATE STRUCTURE

Business transactions of the Group are mainly denominated in HKD, RMB, KRW, PHP and USD. Currently, the Group has not entered into any agreement to hedge against the foreign exchange risk. In view of the fluctuation of RMB, KRW, PHP and USD in recent years, the Group will continue monitoring the situation closely and will introduce suitable measures as and when appropriate.

The Group had limited exposure to interest rate fluctuation on bank and other borrowings as at 30 June 2019, as the interest rates of the bank and other borrowings are mostly fixed throughout their respective loan term.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSAL

Investments

Equity investments designated at fair value through other comprehensive income

As at 30 June 2019, the Group was holding listed equity investments at a fair value of approximately HK$69,107,000 (representing approximately 0.39% 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 2018: approximately HK$80,336,000). Net fair value losses in respect of such investments of approximately HK$11,229,000, 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 six months ended 30 June 2019. There was no single equity investment representing more than 1% of the total assets of the Company as at 30 June 2019.

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.

EVENTS AFTER THE REPORTING PERIOD

Save as mentioned elsewhere in this announcement, there were no significant events subsequent to 30 June 2019 which would materially affect the Group's operating and financial performance as of the date of this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2019, the Group had around 1,900 (31 December 2018: around 1,950) full-time employees (including management, administrative staff and production workers), with total staff costs amounting to approximately HK$359,221,000 (2018: approximately HK$412,360,000) for the period under review. The employees were mainly stationed in Hong Kong and South Korea. The remuneration, promotion and salary increments of employees are assessed according to the individual's performance, as well as professional and working experience, in accordance with prevailing industry practices. The Group also offers a variety of training schemes to its employees.

OTHER INFORMATION

DIVIDEND

The Board does not recommend the payment of any interim dividend for the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

None of the Directors or their respective associates were interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the Group's business, as at the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF SHARES

There was no purchase, sale or redemption of any of listed securities of the Company by the Company or any of its subsidiaries during the six months ended 30 June 2019.

CORPORATE GOVERNANCE

Throughout the six months ended 30 June 2019, the Company has applied the principles and adopted and complied with all the code provisions as set out in the Corporate Governance Code and Corporate Governance Report in Appendix 14 to the Listing Rules, except for the following deviations:

On 27 June 2019, the Company failed to comply with Rule 3.10, Rule 3.21 and Rule 3.25 of the Listing Rules and the terms of reference of each of the Audit Committee, nomination committee (the "**Nomination Committee**") and remuneration committee (the "**Remuneration Committee**") of the Company (the "**Board Committees**") after the retirements of Mr. Fok Ho Yin, Thomas ("**Mr. Fok**") and Mr. Wong Chun Hung ("**Mr. Wong**") as independent non-executive Directors and members of each of the Board Committees. Following (i) the appointment of Ms. Wang Yuying as the independent non-executive Director, the chairman of the Audit Committee and a member of each of the Nomination Committee and the Remuneration Committee and (ii) the appointment of Mr. Li Mingfa as the independent non-executive Directors and a member of each of the Audit Committee, the Nomination Committee and the Remuneration Committee on 23 August 2019, the Board comprises four 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 comply with the requirements under Rule 3.10, Rule 3.21 and Rule 3.25 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**"). Having made specific enquiry by the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code during the six months ended 30 June 2019.

OTHER INFORMATION (continued)

AUDIT COMMITTEE REVIEW

As at the date of this announcement, the Audit Committee comprises of three independent non-executive Directors, namely Ms. Wang Yuying (committee chairman), Mr. Bao Jinqiao and Mr. Li Mingfa. The unaudited condensed consolidated interim financial information for the six months ended 30 June 2019 has been reviewed by the Audit Committee and the Company's independent auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. The Audit Committee has also reviewed with the management in relation to the accounting principles and practices adopted by the Group and has discussed auditing, risk management, internal control and financial reporting matters.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises Dr. Yang Zhihui (Chairman), Ms. Zhou Xueyun, Ms. Chan Mee Sze and Mr. Chu Huafeng as executive Directors and Mr. Bao Jinqiao, Ms. Wang Yuying and Mr. Li Mingfa as independent non-executive Directors.

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

Hong Kong, 30 August 2019

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