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 2020

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 (collectively, the "**Group**") for the six months ended 30 June 2020 together with the comparative figures for the corresponding period in 2019. 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 2020.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2020

		For the six months ended 30 June	
		2020	2019
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
REVENUE	*4*	**262,137**	347,448
Cost of properties and inventories sold		**(30,728)**	(60,806)
Other income and (losses)/gains, net	*5*	**(32,058)**	(16,259)
Gaming duties and other related taxes		**(14,220)**	(12,579)
Amortisation and depreciation		**(301,747)**	(326,167)
Employee benefit expenses		**(253,940)**	(359,221)
Other operating expenses		**(353,193)**	(333,968)
Finance (costs)/income, net	*6*	**(61,003)**	(106,991)
Fair value losses of investment properties		**–**	(200)
Reversal of impairment loss/ (impairment loss) of trade and other receivables, net		**17,332**	(23,912)
LOSS BEFORE TAX	*7*	**(767,420)**	(892,655)
Income tax (expense)/credit	*8*	**(24,812)**	57,064
LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT		**(792,232)**	(835,591)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT			
Basic	*10*	**(HK25.07) cents**	(HK28.47) cents
Diluted	*10*	**(HK25.07) cents**	(HK28.47) cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2020

	For the six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
LOSS FOR THE PERIOD	**(792,232)**	(835,591)
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(454,272)**	(474,367)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(454,272)**	(474,367)
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Remeasurements of employee benefit obligations	**–**	325
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**(5,135)**	(11,229)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(5,135)**	(10,904)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	**(459,407)**	(485,271)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE PARENT	**(1,251,639)**	(1,320,862)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Notes	30 June 2020 HK$'000 (Unaudited)	31 December 2019 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**9,590,536**	10,700,729
Investment properties		**778,935**	776,838
Right-of-use assets		**12,511**	94,111
Goodwill	*12*	**5,112**	5,336
Intangible assets	*12*	**834,606**	870,842
Equity investments designated at fair value through other comprehensive income		**30,711**	35,846
Prepayments, trade and other receivables	*13*	**90,410**	113,773
Total non-current assets		**11,342,821**	12,597,475
CURRENT ASSETS			
Properties under development		**233,835**	236,781
Completed properties for sale		**944,489**	982,533
Inventories		**69,739**	76,435
Prepayments, trade and other receivables	*13*	**556,542**	825,853
Financial assets at fair value through profit or loss		**–**	2,511
Tax recoverable		**5,539**	219
Cash and cash equivalents		**585,498**	398,033
Total current assets		**2,395,642**	2,522,365
CURRENT LIABILITIES			
Trade and other payables	*14*	**438,340**	510,418
Interest-bearing bank and other borrowings	*15*	**820,797**	859,016
Lease liabilities		**8,945**	38,777
Tax payable		**4,878**	7,719
Total current liabilities		**1,272,960**	1,415,930
NET CURRENT ASSETS		**1,122,682**	1,106,435
TOTAL ASSETS LESS CURRENT LIABILITIES		**12,465,503**	13,703,910

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 30 June 2020

	Notes	**30 June 2020** **HK$'000** **(Unaudited)**	31 December 2019 *HK$'000* (Audited)
NON-CURRENT LIABILITIES			
Trade and other payables	*14*	**36,648**	37,577
Interest-bearing bank and other borrowings	*15*	**1,621,443**	1,707,895
Lease liabilities		**4,403**	41,924
Deferred tax liabilities		**32,733**	31,747
Total non-current liabilities		**1,695,227**	1,819,143
Net assets		**10,770,276**	11,884,767
EQUITY			
Equity attributable to owners of the parent			
Share capital	*16*	**35,219**	29,350
Reserves		**10,735,057**	11,855,417
Total equity		**10,770,276**	11,884,767

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2020

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 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 2020 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 2019, 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 2020 as disclosed in note 3 below. The Group has not yet early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. In the opinion of the directors of the Company, the revised standard is not expected to have a significant impact on the financial position and performance of the Group.

The condensed consolidated interim financial information for the six months ended 30 June 2020 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 is presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

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 2019, except for the adoption of new and revised HKFRSs effective as of 1 January 2020.

Amendments to HKFRS 3	*Definition of a Business*
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	*Interest Rate Benchmark Reform*
Amendments to HKAS 1 and HKAS 8	*Definition of Material*

The adoption of those revised standards has no significant financial effect on the condensed consolidated interim financial information and there has been no significant change to the accounting policies applied in the condensed consolidated interim financial information.

4 SEGMENT INFORMATION

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

(a) Integrated Resort Development;

(b) Gaming Business; and

(c) Property Development.

The 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 tax. The adjusted profit or loss before tax is measured consistently with the Group's loss before tax except that net of finance costs, loss on disposal of subsidiaries as well as head office and corporate income and expenses, net are excluded from such measurement.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

4 SEGMENT INFORMATION (continued)

The following tables present revenue and results information regarding the Group's operating segments for the six months ended 30 June 2020 and 2019, respectively:

For the six months ended 30 June 2020

	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	**122,383**	**101,085**	**38,669**	**262,137**
Segment results	**(532,947)**	**(71,018)**	**9,224**	**(594,741)**
Reconciliation:				
Finance costs, net (other than interest on lease liabilities)				**(59,982)**
Corporate and other unallocated (expenses)/income, net				**(91,311)**
Loss on disposal of subsidiaries				**(21,386)**
Loss before tax				**(767,420)**

4 SEGMENT INFORMATION (continued)

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:				
Finance costs, net (other than interest on lease liabilities)				(65,286)
Corporate and other unallocated (expenses)/income, net				(124,619)
Loss before tax				(892,655)

Geographical information

Revenue from external customers

	For the six months ended 30 June **2020** ***HK$'000*** **(Unaudited)**	2019 *HK$'000* (Unaudited)
South Korea	**262,137**	347,448

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

Information about major customers

During the six months ended 30 June 2020 and 2019, none of the external customers contributed over 10% of the Group's total revenue.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

5 OTHER INCOME AND (LOSSES)/GAINS, NET

	For the six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Management fee income	**–**	1,440
Dividend income from equity investments at fair value through other comprehensive income	**51**	57
Loss on disposal of subsidiaries (Note 17)	**(21,386)**	–
Gain/(loss) on disposal of items of property, plant and equipment	**6,099**	(208)
Loss on disposal of right-of-use asset and lease liability on early termination of lease	**(19,097)**	–
Foreign exchange differences, net	**1,732**	(15,156)
Others	**543**	(2,392)
	(32,058)	(16,259)

6 FINANCE (COSTS)/INCOME, NET

	For the six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest expenses:		
– Lease liabilities	**(1,021)**	(41,705)
– Bank borrowings	**(72,088)**	(65,939)
Finance costs	**(73,109)**	(107,644)
Interest income:		
– Bank interest income	**168**	653
– Other interest income	**11,938**	–
Finance income	**12,106**	653
Finance (costs)/income, net	**(61,003)**	(106,991)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

7 LOSS BEFORE TAX

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

	For the six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Amortisation and depreciation:		
– Depreciation of property, plant and equipment	**293,884**	296,591
– Depreciation of right-of-use assets	**7,705**	29,447
– Amortisation of intangible assets	**158**	129
	301,747	326,167
(Reversal of impairment loss)/impairment loss on trade and other receivables, net:		
– (Reversal of impairment loss)/impairment loss on gaming receivables, net	**(2,783)**	23,912
– Reversal of impairment loss on other receivables, net	**(14,549)**	–
	(17,332)	23,912
Expenses included in "other operating expenses":		
– Building, equipment and facility maintenance expenses	**42,013**	60,470
– Impairment loss on property, plant and equipment	**141,589**	–
– Sales and marketing, promotion and advertising expenses	**19,258**	22,309
– Minimum lease payments under operating leases	**–**	9,026
– Lease payments not included in the measurement of lease liabilities	**11,874**	–

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 2020 (Six months ended 30 June 2019: Nil). 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	
	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax		
– PRC	**2,947**	–
– South Korea	**6**	790
Withholding tax	**21,859**	–
Deferred tax	**–**	(57,854)
Total tax charge/(credit) for the period	**24,812**	(57,064)

9 DIVIDENDS

The Board does not recommend the payment of any dividend for the six months ended 30 June 2020 (Six months ended 30 June 2019: Nil).

10 LOSS PER SHARE

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

	For the six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to owners of the parent, used in the basic and diluted loss per share calculation:	**(792,232)**	(835,591)
Number of shares	**'000**	'000
Weighted average number of ordinary shares in issue during the period used in the basic and diluted loss per share calculation	**3,160,660**	2,934,898

The Group had no potential dilutive ordinary shares outstanding during the respective period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

11 PROPERTY, PLANT AND EQUIPMENT

	HK$'000
Net book amount as at 31 December 2019 and 1 January 2020 (Audited)	10,700,729
Additions	**3,388**
Depreciation provided for the period	**(293,884)**
Disposals	**(57,103)**
Disposal of subsidiaries (Note 17)	**(122,954)**
Transfers	**(47,797)**
Impairment	**(141,589)**
Exchange realignment	**(450,254)**
Net book amount as at 30 June 2020 (Unaudited)	**9,590,536**

12 GOODWILL AND INTANGIBLE ASSETS

	Goodwill	**Intangible assets**
	HK$'000	*HK$'000*
As at 31 December 2019 and 1 January 2020 (Audited)	5,336	870,842
Additions	**–**	**483**
Amortisation	**–**	**(158)**
Exchange realignment	**(224)**	**(36,561)**
As at 30 June 2020 (Unaudited)	**5,112**	**834,606**

13 PREPAYMENTS, TRADE AND OTHER RECEIVABLES

	30 June 2020 *HK$'000* **(Unaudited)**	31 December 2019 *HK$'000* (Audited)
Trade receivables	**26,276**	28,688
Less: Loss allowance for impairment of trade receivables	**(11,477)**	(11,980)
Trade receivables, net (Note (i))	**14,799**	16,708
Receivables from gaming customers (Note (ii))	**2,982**	4,548
Other receivables (Note (iii))	**503,350**	489,388
Prepayments	**22,355**	336,004
Value-added tax recoverable	**4,539**	7,266
Deposits	**18,811**	19,032
Restricted deposit for non-current borrowings	**80,116**	66,680
	646,952	939,626
Less: Non-current portion	**(90,410)**	(113,773)
Current portion	**556,542**	825,853

Notes:

(i) Trade receivables, net

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

	30 June 2020 *HK$'000* **(Unaudited)**	31 December 2019 *HK$'000* (Audited)
Within 30 days	**12,789**	16,381
31 to 60 days	**82**	40
61 to 90 days	**130**	10
Over 90 days	**1,798**	277
	14,799	16,708

13 PREPAYMENTS, TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

(ii) Receivables from gaming customers

The ageing analysis of the receivables from gaming customers as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2020	31 December 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**130**	607
31 to 60 days	**–**	–
61 to 90 days	**–**	–
Over 90 days	**2,852**	3,941
	2,982	4,548

(iii) Other receivables

Included in the Group's other receivables are (i) loans and loan interest receivables from independent third parties and (ii) other receivables from debtors in non-trade nature amounting to approximately HK$418,674,000 (31 December 2019: approximately HK$422,291,000) and HK$84,676,000 (31 December 2019: approximately HK$67,097,000), respectively.

14 TRADE AND OTHER PAYABLES

	30 June 2020	31 December 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables (Note (i))	**3,764**	5,124
Deposit received	**30**	18,706
Deferred revenue	**1,621**	1,901
Accrued expenses	**40,402**	95,261
Accrued employee benefits	**48,807**	73,783
Other tax payables	**192,097**	161,580
Other payables (Note (ii))	**138,066**	140,268
Contract liabilities	**50,201**	51,372
	474,988	547,995
Less: Non-current portion	**(36,648)**	(37,577)
Current portion	**438,340**	510,418

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (continued)

14 TRADE AND OTHER PAYABLES (continued)

Notes: (continued)

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

	30 June 2020	31 December 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**3,764**	5,124

Trade payables are non-interest bearing.

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

15 INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2020			31 December 2019		
	Effective interest rate	**Maturity**	***HK$'000***	Effective interest rate	Maturity	*HK$'000*
			(Unaudited)			(Audited)
Current						
Bank loans – secured	**5%**	**2021**	**800,491**	5%	2020	839,199
Other loan – secured	**LIBOR +3.85%**	**2021**	**20,306**	LIBOR +3.85%	2020	19,817
			820,797			859,016
Non-current						
Bank loans – secured	**5%**	**2022**	**1,514,917**	5%	2021–2022	1,586,938
Other loan – secured	**LIBOR +3.85%**	**2021**	**106,526**	LIBOR +3.85%	2021	120,957
			1,621,443			1,707,895

15 INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Bank and other borrowings are secured by the Group's property, plant and equipment amounting to approximately HK$1,341,715,000 (31 December 2019: approximately HK$1,523,652,000), investment properties amounting to approximately HK$48,194,000 (31 December 2019: approximately HK$3,936,000) and completed properties for sale amounting to approximately HK$944,489,000 (31 December 2019: approximately HK$951,074,000).

16 SHARE CAPITAL

Shares

	30 June 2020	31 December 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Authorised:		
1,000,000,000,000 ordinary shares of HK$0.01 each	**10,000,000**	10,000,000
Issued and fully paid:		
3,521,878,000 (2019: 2,934,898,000) ordinary shares of HK$0.01 each	**35,219**	29,350

A summary of movements in the Company's issued share capital is as follows:

	Number of shares in issue	**Issued capital**	**Share premium account**	**Total**
	'000	***HK$'000***	***HK$'000***	***HK$'000***
At 1 January 2019, 31 December 2019 and 1 January 2020 (Audited)	2,934,898	29,350	14,020,947	14,050,297
Issue of shares (Note)	586,980	5,869	132,070	137,939
Share issue expenses (Note)	–	–	(791)	(791)
At 30 June 2020 (Unaudited)	3,521,878	35,219	14,152,226	14,187,445

Note:

On 22 April 2020, pursuant to a share placing agreement, the Company placed 586,978,800 ordinary shares of the Company to not less than six placees, who are independent third parties, at HK$0.235 per share. The aggregate cash subscription price received, before share issue expenses, was approximately HK$137,939,000. This transaction resulted in an increase of the issued share capital and share premium account of approximately HK$5,869,000 and HK$132,070,000, respectively. Share issue expenses of approximately HK$791,000 were charged to the share premium account accordingly.

17 DISPOSAL OF SUBSIDIARIES

	30 June 2020 HK$'000 (Unaudited)
Net assets disposed of:	
Property, plant and equipment (Note 11)	**122,954**
Right-of-use assets	**42**
Prepayments, trade and other receivables	**56**
Cash and cash equivalents	**1,136**
Trade and other payables	**(181)**
Lease liabilities	**(27)**
Loan from an intermediate holding company	
– Shareholder's loan	**(395,716)**
Interest-bearing bank borrowings	**(1,890)**
	(273,626)
Outstanding shareholder's loan disposed of	**395,716**
Exchange fluctuation reserve	**19,296**
	141,386
Loss on disposal of subsidiaries (Note 5)	**(21,386)**
Satisfied by:	
Cash	**120,000**

18 COMMITMENTS

(a) Capital commitments

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

	30 June 2020 HK$'000 (Unaudited)	31 December 2019 HK$'000 (Audited)
Contracted, but not provided for:		
Property, plant and equipment	**24,254**	342,803
Properties under development	**–**	26,843
	24,254	369,646

18 COMMITMENTS (continued)

(b) Lease arrangement

The Group as lessor

The Group leases its investment properties consisting of several commercial properties in Korea under operating lease arrangements. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions. Rental income recognised by the Group during the period ended 30 June 2020 was approximately HK$3,946,000 (Six months ended 30 June 2019: approximately HK$7,111,000).

At 30 June 2020, the undiscounted lease payments receivables by the Group in future periods under noncancellable operating leases with its tenants are as follows:

	30 June 2020	31 December 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one year	**4,320**	4,392
After one year but within two years	**3,841**	3,899
After two years but within three years	**1,719**	3,256
After three years but within four years	**812**	1,809
After four years but within five years	**402**	1,345
After five years	**–**	1,229
	11,094	15,930

19 EVENTS AFTER THE REPORTING PERIOD

On 24 August 2020, the Group entered into a sale and purchase agreement with an independent third party to dispose of an aircraft for a cash consideration of US$18,875,000 (approximately HK$147,225,000). The transaction was completed on 25 August 2020. An impairment loss of approximately HK$33,856,000 was recognised for the said aircraft for the six months ended 30 June 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the six months ended 30 June 2020 (the "**Period**"), the Group's consolidated revenue was approximately HK$262,137,000 (2019: approximately HK$347,448,000), representing a decrease of approximately 25% when compared to the corresponding period in 2019. This decrease in revenue was attributable to the reduced revenue generated from the Integrated Resort Development and the Property Development. During the Period, non-gaming revenue was approximately HK$161,052,000 (2019: approximately HK$267,619,000) while gaming revenue was approximately HK$101,085,000 (2019: approximately HK$79,829,000).

For the Period, the loss attributable to the owners of the parent was approximately HK$792,232,000 (2019: approximately HK$835,591,000). The basic and diluted loss per share attributable to the owners of the parent was HK25.07 cents (2019: HK28.47 cents). The decrease in consolidated revenue was mainly due to the outbreak of COVID-19 leading to the (i) drop of visitation to the Group's integrated resorts; and (ii) reduction of property sale activities. Despite the fact that the Group's revenue was adversely affected during the Period, mainly attributable to the (i) increase in net revenue from Gaming Business; (ii) decrease in operating expenses excluding the impairment loss on property, plant and equipment; and (iii) decrease in finance expenses of lease liabilities due to early termination of leases in 2019, there was a slight decrease of approximately 5% in consolidated net loss for the Period as compared with the corresponding period in 2019.

As at 30 June 2020, the consolidated net asset value of the Company was approximately HK$10,770,276,000 (31 December 2019: approximately HK$11,884,767,000) and the consolidated net asset value per number of ordinary shares in issue attributable to owners of the Company was approximately HK$3.06 (31 December 2019: approximately HK$4.05).

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.

The global economy has been facing severe challenges since the widespread of COVID-19 in the beginning of 2020. Since then, a series of traffic precautionary and control measures have been implementing within and across different countries. Our major business in Jeju Island, South Korea, which largely relies on entertainment and hospitality market conditions, has been inevitably affected. However, attributable to the early robust public health response based around extensive testing and tech-powered contact tracing being implemented by the Government of South Korea, the infected case has remained very low in Jeju in 2020.

OPERATION AND BUSINESS REVIEW (continued)

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 and water park, and the largest foreigners-only casino in Jeju.

More than 2,000 high-quality guest rooms and suites are available for bookings 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 to 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 to 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 distinguishes Jeju Shinhwa World as the best-integrated resort in Northeast Asia.

Shinhwa Theme Park attracts both domestic and foreign tourists. The park is themed with Larva characters from a popular local animated production and 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 meters 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, which can host more than 4,000 visitors in peak days.

OPERATION AND BUSINESS REVIEW (continued)

Integrated Resort Development (continued)

Jeju Shinhwa World also houses the most extensive 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 holds 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 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 international events. Due to Jeju's close proximity to major cities in China and visa-free policy, Landing Convention Centre is an ideal place for various conferences and incentive groups from China.

Since the travel restriction implemented and the impact of COVID-19 pandemic at the beginning of 2020, visitations have dropped dramatically during the Period. Large scale expansion projects, such as Four Seasons Resorts and Lionsgate Movie World, were suspended to preserve healthy liquidity of the Group. In response to the decreasing number of cross-border travelers, we concentrated on the local market by offering discounted family packages and promotion events that combined our water and theme parks, food and beverage as bundles. Our enhanced marketing strategy has been rewarded a satisfactory response with improving hotel occupancy rate since May 2020.

For the Period, Jeju Shinhwa World generated segmental revenue of approximately HK$122,383,000 (2019: approximately HK$182,158,000), 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 for the Period was approximately HK$532,947,000 (2019: approximately HK$513,452,000).

OPERATION AND BUSINESS REVIEW (continued)

Gaming Business

Landing Casino located in Jeju Shinhwa World is currently the largest foreigners-only casino in Jeju with 155 gaming tables, 239 slot machines and electronic table games with exclusive gaming area approximately 5,500 square meters. With its scale and international standard gaming equipment and best practices, Landing Casino used to host some of the biggest gaming tournaments in the industry which were attended by some of the most renowned professional players from every part of the world and attracted customers from all over Asian region including VIPs who have never visited Jeju before.

The outbreak of COVID-19, since January 2020 has adversely affected our Gaming Business due to the dramatic decrease of cross-border visitors traveled to Jeju from China and elsewhere under a series of traffic precautionary and control measures within and across the countries.

For the Period, Landing Casino recorded net revenue of approximately HK$101,085,000 (2019: approximately HK$79,829,000) and segment loss from the Gaming Business was approximately HK$71,018,000 (2019: approximately HK$212,336,000).

As of 30 June 2020, 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 Period, revenue from sales of residential properties amounted to approximately HK$38,669,000 (2019: approximately HK$85,461,000) and segment profit of approximately HK$9,224,000 (2019: approximately HK$23,038,000) was recorded in the Property Development segment.

As of 30 June 2020, approximately HK$944,489,000 (31 December 2019: approximately HK$982,533,000) was classified as completed properties for sale.

OUTLOOK

Given the uncertainties as to when the COVID-19 pandemic will be under control and the business impact thereof will be challenging, we will continue to closely monitor the development of the circumstances and work diligently to sustain our business in this difficult period of time.

Before the lifting of travel restrictions cross different countries, we will continue to focus on the local South Korea market by offering attractive packages and promotion events. In the meantime, we will continue to implement stringent cost control measures to enhance our competitiveness and get our Jeju Shinhwa World and Landing Casino ready for the recovery of overseas demands.

Due to the lockdown and travel restriction in the Philippines, the Group has faced difficulties in identifying another lease of land as required by Philippine Amusement and Gaming Corporation ("**PAGCOR**") for the development of an integrated resort in the Philippines. However, the Group has been granted a suspension by PAGCOR of the prescribed period provided under Article VI, paragraph (a) of the provision license recently, under which the Group is allowed to have further time to submit a remedy for the provisional license.

Facing the unexpected challenges caused by the impact of the COVID-19 pandemic, the Company will continue to appraise the funding needs and the financial position of the Group from time to time and will also strive to implement appropriate measures promptly, including modifying our business plans and marketing strategies as well as exploring the fundraising and financing facilities if and when opportunities arise. On the other hand, the Group will also appraise other potential projects to enhance the scope of business of our base in Jeju, South Korea in order to widen our income stream.

FINANCIAL RESOURCES AND LIQUIDITY

As at 30 June 2020, the Group had non-current assets of approximately HK$11,342,821,000 (31 December 2019: approximately HK$12,597,475,000) and net current assets of approximately HK$1,122,682,000 (31 December 2019: approximately HK$1,106,435,000). The current ratio, expressed as a ratio of current assets over current liabilities, was 1.9 (31 December 2019: 1.8). The increase in current ratio is mainly due to the net proceeds obtained from placing of shares and disposal of subsidiaries.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

FINANCIAL RESOURCES AND LIQUIDITY (continued)

For the period, the reversal of impairment loss of trade and other receivables (net) amounted to approximately HK$17,332,000 (2019: impairment loss of approximately HK$23,912,000). Reversal of impairment loss was mainly due to the tighten credit controls and continual recovery of long overdue receivables. As at 30 June 2020, the Group had prepayments, trade and other receivables of approximately HK$646,952,000 (31 December 2019: approximately HK$939,626,000). As at 30 June 2020, the Group had cash and bank balances of approximately HK$585,498,000 with approximately HK$265,910,000, HK$210,615,000, HK$107,730,000 held in Hong Kong dollars ("**HKD**"), Korean Won ("**KRW**"), and United States dollars ("**USD**"), respectively and the remaining funds mainly held in British pound sterling ("**GBP**"), and Philippine Pesos ("**PHP**") (31 December 2019: approximately HK$398,033,000, with approximately HK$11,707,000, HK$205,574,000, HK$4,538,000, and HK$175,015,000 held in HKD, KRW, USD and PHP, respectively and the remaining funds mainly held in GBP).

As at 30 June 2020, the Group had trade and other payables of approximately HK$474,988,000 (31 December 2019: approximately HK$547,995,000), bank borrowings in KRW with fixed interest rate of approximately HK$2,315,408,000 (31 December 2019: approximately HK$2,426,137,000) and other borrowings in USD with floating interest rate of approximately HK$126,832,000 (31 December 2019: approximately HK$140,774,000). Total liabilities of the Group was amounted to approximately HK$2,968,187,000 (31 December 2019: approximately HK$3,235,073,000). The Group's gearing ratio, as measured on the basis of the Group's total liabilities divided by total assets, was 21.6% (31 December 2019: 21.4%).

CAPITAL STRUCTURE

Placing

On 22 April 2020, the Company completed the placing (the "**Placing**") of 586,978,800 shares (the "**Placing Shares**") under the general mandate to not less than six placees, who are independent third parties, at the placing price of HK$0.235 per share pursuant to the terms and conditions of the placing agreement dated 30 March 2020, entered between the Company and the placing agent. The Placing Shares representing approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issuance of the Placing Shares immediately upon completion. The net proceeds from the Placing, after deduction of the placing commission and other related expenses, amounted to approximately HK$137,100,000 is intended to use for general working capital of the Gaming Business and the Integrated Resort Development in Jeju Island, South Korea and payment of interest expenses. As at 30 June 2020, the whole amount was not utilised, however approximately HK$117,000,000 has been injected into Jeju, South Korea to fund the operations of the Group as at the date of this announcement. It is expected that the entire amount of the net proceeds raised will be fully utilised in the third quarter of 2020 towards the working capital and interest expenses of the Group's operations in Jeju, South Korea as previously announced.

As at 30 June 2020 and the date of this announcement, the total number of issued ordinary shares of the Company was 3,521,877,510 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 2020	31 December 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Contracted, but not provided for:		
Property, plant and equipment	**24,254**	342,803
Properties under development	**–**	26,843
	24,254	369,646

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

CONTINGENT LIABILITY

As at 30 June 2020, the Group did not have any material contingent liability (31 December 2019: 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 2020	31 December 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Property, plant and equipment	**1,341,715**	1,523,652
Investment properties	**48,194**	3,936
Completed properties for sale	**944,489**	951,074

SEGMENT INFORMATION

Details of segment information of the Group for the Period 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 2020, 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 2020, the Group holds listed equity investments at a fair value of approximately HK$30,711,000 (representing approximately 0.22% of the total assets of the Company), which were classified as equity investments designated at fair value through other comprehensive income (31 December 2019: approximately HK$35,846,000). Net fair value losses in respect of these investments of approximately HK$5,135,000, which were 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 Period. There was no single equity investment representing more than 0.2% of the total assets of the Company as at 30 June 2020.

Disclosable Transaction - Disposal

On 15 May 2020, the Group completed the disposal of the entire issued share capital of Stepwide Developments Limited ("**Stepwide**"), which through its indirect subsidiary, Landing Korea Co., Ltd., holding lands and buildings in Jeju, South Korea, at a consideration of HK$120,000,000. After the disposal, the Company is no longer a shareholder of Stepwide. Hence, the financial results, assets and liabilities of Stepwide and its subsidiaries ceased to be consolidated into the condensed consolidated financial statements of the Company. Details of this transaction were disclosed in note 17 and the announcements of the Company dated 11 May 2020 and 14 May 2020.

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 material 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

On 25 August 2020, the Group completed the sale of one Bombardier Global 6000 aircraft at the consideration of US$18,875,000 (equivalent to approximately HK$147,225,000). Details of this transaction were disclosed in the announcement of the Company dated 24 August 2020.

EVENTS AFTER THE REPORTING PERIOD (continued)

Save as disclosed in this announcement, there were no other significant events subsequent to 30 June 2020 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 2020, the Group had around 1,592 (31 December 2019: around 1,785) full-time employees (including management, administrative staff, production workers, etc.), with total staff costs amounting to approximately HK$253,940,000 (30 June 2019: approximately HK$359,221,000) for the Period. 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 Period (six months ended 30 June 2019: Nil).

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 Period.

CORPORATE GOVERNANCE

Throughout the Period, the Company has applied the principles and adopted and complied with all the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix 14 to the Listing Rules, except for the following deviations:

(i) Dr. Yang Zhihui, the chairman and an executive Director of the Company, was unable to attend the annual general meeting of the Company held on 26 June 2020 (the "**AGM**") since he had other business engagement out of Hong Kong, which deviated from code provision E.1.2; and

(ii) after the retirement of the Directors upon the conclusion of the AGM, the number of independent non-executive Directors and the number of members of each of the audit committee, the nomination committee and the remuneration committee (the "**Board Committees**") fall below the minimum number required under Rule 3.10(1), Rule 3.10A and Rule 3.21 of the Listing Rules and the terms of reference of each of the Board Committees.

OTHER INFORMATION (continued)

CORPORATE GOVERNANCE (continued)

Following the appointment of Mr. Shek Lai Him Abraham as the independent non-executive Directors and a member of each of the Board Committees on 14 August 2020, the Board comprised five 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 have satisfied the minimum number as stipulated under Rule 3.10(1), Rule 3.10A and Rule 3.21 of the Listing Rules and the terms of reference of each of the Board Committees.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to 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 during the Period.

AUDIT COMMITTEE REVIEW

As at the date of this announcement, the Audit Committee comprises of three independent non-executive Directors, namely Mr. Li Chun Kei (committee chairman), Mr. Lin Liangyong and Mr. Shek Lai Him Abraham. The unaudited condensed consolidated interim financial information for the Period 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. Chan Mee Sze, Mr. Yeung Lo, Dr. Wong Hoi Po and Ms. Pu Shen Chen as executive Directors and Mr. Li Chun Kei, Mr. Lin Liangyong and Mr. Shek Lai Him Abrahamas as independent non-executive Directors.

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

Hong Kong, 28 August 2020

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