



廖創興企業有限公司
LIU CHONG HING INVESTMENT LIMITED

2009 INTERIM REPORT

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Liu Lit Man, GBS, J.P., F.I.B.A. (*Chairman*)

Dr. Liu Lit Mo, LLD, MBE, J.P.

(*Managing Director*)

Mr. Liu Lit Chi

Mr. Liu Kam Fai, Winston

(*Deputy Managing Director*)

Mr. Liu Kwun Shing, Christopher

(*alternate director to Dr. Liu Lit Chung*)

Mr. Lee Wai Hung

Non- Executive Directors

Dr. Liu Lit Chung,

MBBS (Lon), MRCP(UK), F.R.C.P. (Lon)

Mr. Andrew Liu

Mr. Liu Chun Ning, Wilfred

Independent Non-Executive Directors

Dr. The Hon. Lee Tung Hai, Leo,

GBM, GBS, LLD, J.P.

Mr. Ng Ping Kin, Peter, MSc., J.P.

Dr. Cheng Mo Chi, Moses,

GBS, OBE, LLB (HK), J.P.

Mr. Tong Tsin Ka, FCA (AUST.), FCPA, FCIS

COMPANY SECRETARY

Mr. Lee Wai Hung

AUDIT COMMITTEE

Mr. Tong Tsin Ka (*Chairman*)

Dr. The Hon. Lee Tung Hai, Leo

Mr. Ng Ping Kin, Peter

Dr. Cheng Mo Chi, Moses

Mr. Lee Wai Hung (*Secretary*)

REMUNERATION COMMITTEE

Dr. The Hon. Lee Tung Hai, Leo (*Chairman*)

Mr. Ng Ping Kin, Peter

Dr. Cheng Mo Chi, Moses

Mr. Tong Tsin Ka

Ms. Cavior Liu (*Secretary*)

SOLICITORS

Deacons

Gallant Y.T. Ho & Co.

P.C. Woo & Co.

AUDITORS

Deloitte Touche Tohmatsu

Certified Public Accountants

BANKERS

Chong Hing Bank Limited
Bank of China
Bank of Communications
CITIC Ka Wah Bank
Dah Sing Bank
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of
China (Asia) Limited
China Merchants Bank
Nanyang Commercial Bank, Limited
Shanghai Commercial Bank Limited
Standard Chartered Bank (Hong Kong) Limited
The Bank of Tokyo-Mitsubishi UFJ, Limited
The Royal Bank of Scotland
Wing Hang Bank, Limited
Wing Lung Bank Limited

REGISTERED OFFICE

25th Floor, Chong Hing Bank Centre
24 Des Voeux Road Central
Hong Kong
Tel: (852) 3768 9038
Fax: (852) 3768 9008

GUANGZHOU OFFICE

Room 301, Le Palais
1 Yong Sheng Shang Sha
Donghu Road
Yue Xiu District
Guangzhou, P.R.C.
Tel: (8620) 8375 8993
Fax: (8620) 8375 8997

SHANGHAI OFFICE

36/F, Chong Hing Finance Centre
288 Nanjing Road (W)
Shanghai, P.R.C.
Tel: (8621) 6359 1000
Fax: (8621) 6327 6299

FOSHAN OFFICE

First Phase, The Grand Riviera
West of Luocun, Luocun Street
Nanhai District, Foshan
Guangdong Province, P.R.C.
Tel: (86757) 8126 6688
Fax: (86757) 8126 6669

SHAREHOLDERS' INFORMATION

FINANCIAL CALENDAR

Annual General Meeting	:	Held on 29 April 2009
Interim Results for six-month ended 30 June 2009	:	Announced on 13 August 2009
Dividends		
Interim cash dividend	:	HK\$0.08 per share
Payable on	:	30 September 2009
Ex-dividend date of interim dividend	:	21 September 2009
Latest time to lodge transfer forms	:	4:30 pm on 22 September 2009
Closure of Register of Members	:	From 23 September 2009 to 25 September 2009 (both days inclusive)
Share Registrars and transfer office	:	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East Wanchai, Hong Kong
Share listing	:	The Company's shares are listed on The Stock Exchange of Hong Kong Limited
Stock Code	:	194
Board lot	:	2,000 shares
No. of issued ordinary share	:	378,583,440 shares
Company's e-mail address	:	info@lchi.com.hk
Investors and Shareholders contact	:	Attention: Mr. Lee Wai Hung / Ms. Nelly Ng 23rd Floor, Chong Hing Bank Centre 24 Des Voeux Road Central Hong Kong Tel: (852) 3768 9050 Fax: (852) 3768 9009 Website: http://www.lchi.com.hk

The Directors of Liu Chong Hing Investment Limited (the “Company”) announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2009. The interim financial information is prepared on a basis consistent with the accounting policies adopted in 2008 annual report, except for the accounting policy changes made thereafter in adopting a number of new Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Six months ended 30 June	
		2009 (unaudited) HK\$'000	2008 (unaudited) HK\$'000
Revenue		149,253	130,604
Direct costs		(27,926)	(28,019)
Gross profit		121,327	102,585
Other income		6,341	6,599
Administrative expenses		(64,931)	(58,882)
Net fair value gain (loss) on investments held for trading		4,156	(4,541)
Net fair value gain on investment properties	8	98,764	434,103
Loss on disposal of available-for-sale investments		—	(14,166)
Surplus (deficit) on revaluation of leasehold land and buildings	8	708	(16,034)
Finance costs		(25,455)	(48,518)
Share of profit of associates		76,866	49,090
Profit before taxation		217,776	450,236
Income tax expense	4	(24,685)	(103,348)
Profit for the period	5	193,091	346,888

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(continued)*

	Notes	Six months ended 30 June 2009 (unaudited) HK\$'000	2008 (unaudited) HK\$'000
Other comprehensive income			
Surplus on revaluation of leasehold land and buildings		4	4
Available-for-sale investments:			
Change in fair value		(2,657)	(13,716)
Reclassification adjustments for loss included in profit or loss on disposal		—	11,294
Exchange differences arising on translation of foreign operations		2,172	123,377
Share of other comprehensive income of associates:			
Exchange differences arising on translation of foreign operations		(4)	3,982
Available-for-sale investments:			
Change in fair value		(910)	(86,366)
Reclassification adjustments for gain included in profit or loss on disposal		(9,628)	(16,980)
Reclassification adjustments for loss included in profit or loss on impairment		21,181	71,720
Other comprehensive income for the period		10,158	93,315
Total comprehensive income for the period		203,249	440,203
Profit for the period attributable to:			
Owners of the Company		193,973	346,100
Minority interests		(882)	788
		193,091	346,888
Total comprehensive income attributable to:			
Owners of the Company		204,056	432,045
Minority interests		(807)	8,158
		203,249	440,203
Basic earnings per share	6	51.2 cents	91.4 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2009 (unaudited) HK\$'000	31 December 2008 (audited) HK\$'000
Non-current assets			
Investment properties	8	5,586,246	5,486,449
Property, plant and equipment	8	68,978	71,089
Interests in associates		2,892,322	2,815,218
Available-for-sale investments		238,707	237,221
Prepaid lease payments	8	50,438	51,088
Advances to investee companies		121,852	118,799
Loans receivable — due after one year		26,542	72,178
		8,985,085	8,852,042
Current assets			
Properties under development for sale	8	679,324	626,694
Inventories		10,823	10,375
Properties held for sale		6,518	6,518
Trade and other receivables	9	99,007	92,201
Investments held for trading		7,672	3,515
Prepaid lease payments	8	1,425	1,439
Loans receivable — due within one year		—	15,600
Fixed bank deposits with more than three months to maturity when raised		394,419	455,828
Bank accounts with Chong Hing Bank Limited and its subsidiaries		55,988	39,297
Other bank balances and cash		341,152	308,828
Assets held for sale		1,290	1,615
		1,597,618	1,561,910
Current liabilities			
Trade and other payables	10	212,594	236,847
Taxation payable		13,941	10,986
Borrowings — due within one year	11	1,404,931	960,824
		1,631,466	1,208,657
Net current (liabilities) assets		(33,848)	353,253
Total assets less current liabilities		8,951,237	9,205,295

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

	Notes	30 June 2009 (unaudited) HK\$'000	31 December 2008 (audited) HK\$'000
Non-current liabilities			
Borrowings — due after one year	11	2,116,425	2,573,216
Deferred taxation		502,953	484,540
		2,619,378	3,057,756
		6,331,859	6,147,539
Capital and reserves			
Share capital		378,583	378,583
Reserves		5,916,168	5,731,041
Equity attributable to owners of the Company		6,294,751	6,109,624
Minority interests		37,108	37,915
Total equity		6,331,859	6,147,539

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Attributable to owners of the Company										
	Share capital HK\$'000	General reserve HK\$'000 (note i)	Special reserve HK\$'000 (note ii)	Property revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	Capital redemption reserve HK\$'000	Exchange reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 1 January 2008 (audited)	378,583	738,495	75,747	1,449,597	41,792	2,952	162,455	3,081,638	5,931,259	30,715	5,961,974
Profit for the period	—	—	—	—	—	—	—	346,100	346,100	788	346,888
Surplus on revaluation of leasehold land and buildings	—	—	—	4	—	—	—	—	4	—	4
Loss on fair value changes of available-for-sale investments	—	—	—	—	(13,716)	—	—	—	(13,716)	—	(13,716)
Release of reserve upon disposal of available-for-sale investments	—	—	—	—	11,294	—	—	—	11,294	—	11,294
Exchange differences arising on translation of foreign operations	—	—	—	—	—	—	116,007	—	116,007	7,370	123,377
Share of exchange reserve of associates	—	—	—	—	—	—	3,982	—	3,982	—	3,982
Share of loss on fair value changes of available-for-sale investments held by associates	—	—	—	—	(86,366)	—	—	—	(86,366)	—	(86,366)
Share of release of reserve of associates upon disposal of available-for-sale investments	—	—	—	—	(16,980)	—	—	—	(16,980)	—	(16,980)
Share of release of reserve of associates upon impairment of available-for-sale investments	—	—	—	—	71,720	—	—	—	71,720	—	71,720
Total comprehensive income for the period	—	—	—	4	(34,048)	—	119,989	346,100	432,045	8,158	440,203
Dividends recognised as distribution	—	—	—	—	—	—	—	(60,573)	(60,573)	—	(60,573)
At 30 June 2008 (unaudited)	378,583	738,495	75,747	1,449,601	7,744	2,952	282,444	3,367,165	6,302,731	38,873	6,341,604
Loss for the period	—	—	—	—	—	—	—	(136,774)	(136,774)	(4,231)	(141,005)
Surplus on revaluation of leasehold land and buildings	—	—	—	36	—	—	—	—	36	—	36
Loss on fair value changes of available-for-sale investments	—	—	—	—	(45,526)	—	—	—	(45,526)	—	(45,526)
Release of reserve upon disposal of available-for-sale investments	—	—	—	—	2,872	—	—	—	2,872	—	2,872
Release of reserve upon impairment of available-for-sale investments	—	—	—	—	63,701	—	—	—	63,701	—	63,701
Exchange differences arising on translation of foreign operations	—	—	—	—	—	—	(11,676)	—	(11,676)	(275)	(11,951)
Share of exchange reserve of associates	—	—	—	—	—	—	(600)	—	(600)	—	(600)
Share of loss on fair value changes of available-for-sale investments held by associates	—	—	—	—	(47,115)	—	—	—	(47,115)	—	(47,115)
Share of release of reserve of associates upon disposal of available-for-sale investments	—	—	—	—	(35,003)	—	—	—	(35,003)	—	(35,003)
Share of release of reserve of associates upon impairment of available-for-sale investments	—	—	—	—	54,836	—	—	—	54,836	—	54,836
Total comprehensive income for the period	—	—	—	36	(6,235)	—	(12,276)	(136,774)	(155,249)	(4,506)	(159,755)
Capital contribution from minority shareholders	—	—	—	—	—	—	—	—	—	3,548	3,548
Dividends recognised as distribution	—	—	—	—	—	—	—	(37,858)	(37,858)	—	(37,858)
At 31 December 2008 (audited)	378,583	738,495	75,747	1,449,637	1,509	2,952	270,168	3,192,533	6,109,624	37,915	6,147,539

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY *(continued)*

FOR THE SIX MONTHS ENDED 30 JUNE 2009 *(continued)*

	Attributable to owners of the Company										Minority interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	General reserve HK\$'000 (note i)	Special reserve HK\$'000 (note ii)	Property revaluation reserve HK\$'000	Investment revaluation reserve HK\$'000	Capital redemption reserve HK\$'000	Exchange reserve HK\$'000	Accumulated profits HK\$'000	Total HK\$'000			
Profit for the period	—	—	—	—	—	—	193,973	193,973	(882)	193,091		
Surplus on revaluation of leasehold land and buildings	—	—	—	4	—	—	—	4	—	4		
Loss on fair value changes of available-for-sale investments	—	—	—	—	(2,657)	—	—	(2,657)	—	(2,657)		
Exchange differences arising on translation of foreign operations	—	—	—	—	—	—	2,097	—	2,097	75	2,172	
Share of exchange reserve of associates	—	—	—	—	—	—	(4)	—	(4)	—	(4)	
Share of loss on fair value changes of available-for-sale investments held by associates	—	—	—	—	(910)	—	—	—	(910)	—	(910)	
Share of release of reserve of associates upon disposal of available-for-sale investments	—	—	—	—	(9,628)	—	—	—	(9,628)	—	(9,628)	
Share of release of reserve of associates upon impairment of available-for-sale investments	—	—	—	—	21,181	—	—	—	21,181	—	21,181	
Total comprehensive income for the period	—	—	—	4	7,986	—	2,093	193,973	204,056	(807)	203,249	
Dividends recognised as distribution	—	—	—	—	—	—	—	(18,929)	(18,929)	—	(18,929)	
At 30 June 2009 (unaudited)	378,583	738,495	75,747	1,449,641	9,495	2,952	272,261	3,367,577	6,294,751	37,108	6,331,859	

Notes:

- (i) The general reserve represents distributable reserve set aside by associates of the Group for future developments.
- (ii) The special reserve represents the difference between the consideration paid and the carrying values of the underlying assets and liabilities attributable to the additional interest in a subsidiary acquired during the year ended 31 December 2004.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Notes	Six months ended 30 June	
		2009 (unaudited) HK\$'000	2008 (unaudited) HK\$'000
Net cash from (used in) operating activities		26,251	(147,409)
Net cash from investing activities			
Decrease in bank deposits with more than three months to maturity when raised		61,409	327,477
Dividend received from an associate		10,401	89,571
Proceeds from disposal of assets classified as held for sale		250	296
Purchase of available-for-sale investments		(2,077)	(2,253)
Proceeds from disposal of available-for-sale investments		—	27,973
Repayments from investee companies		—	965
Additions of prepaid lease payments	8	—	(88,849)
Acquisition of additional interest in an associate		—	(4,710)
Other investing cash flows		(6,856)	(2,639)
		63,127	347,831
Net cash used in financing activities			
Repayments of borrowings		(511,265)	(632,500)
Interest paid		(28,821)	(51,171)
New borrowings raised	11	498,558	175,405
		(41,528)	(508,266)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(continued)

FOR THE SIX MONTHS ENDED 30 JUNE 2009

	Notes	Six months ended 30 June	
		2009 (unaudited) HK\$'000	2008 (unaudited) HK\$'000
Net increase (decrease) in cash and cash equivalents		47,850	(307,844)
Cash and cash equivalents at the beginning of the period		348,125	895,489
Effect of foreign exchange rate changes		1,165	27,826
Cash and cash equivalents at the end of the period		397,140	615,471
Cash and cash equivalents at the end of the period, represented by:			
Bank accounts with Chong Hing Bank Limited and its subsidiaries		55,988	104,906
Other bank balances and cash		341,152	510,565
		397,140	615,471

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2009

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of its net current liabilities of approximately HK\$33,848,000 at 30 June 2009. The directors are satisfied that with the Group's existing resources, available banking facilities and future operating cash flows, the Group will have sufficient funding to be able to meet in full its liabilities as they fall due for the foreseeable future. Accordingly, the condensed consolidated financial statements have been prepared on going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning 1 January 2009.

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) — Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) — Int 13	Customer Loyalty Programmes
HK(IFRIC) — Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) — Int 16	Hedges of a Net Investment in a Foreign Operation
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendments to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs 2009 issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

2. PRINCIPAL ACCOUNTING POLICIES (continued)

HKAS 1 (Revised 2007) has introduced a number of terminology changes, including revised titles for the condensed consolidated financial statements, and has resulted in a number of changes in presentation and disclosure. HKFRS 8 is a disclosure Standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor Standard, HKAS 14 *Segment Reporting*, required the identification of two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14 (see note 3). The adoption of the new and revised HKFRSs has had no material effect on the reported results and financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 ²
HKAS 27 (Revised 2008)	Consolidated and Separate Financial Statements ¹
HKAS 39 (Amendment)	Eligible Hedged Items ¹
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions ⁴
HKFRS 3 (Revised 2008)	Business Combinations ¹
HK(IFRIC) — Int 17	Distribution of Non-cash Assets to Owners ¹
HK(IFRIC) — Int 18	Transfer of Assets from Customers ³

¹ Effective for annual periods beginning on or after 1 July 2009

² Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate

³ Effective for transfers on or after 1 July 2009

⁴ Effective for annual periods beginning on or after 1 January 2010

2. PRINCIPAL ACCOUNTING POLICIES *(continued)*

The adoption of HKFRS 3 (Revised 2008) may affect the Group's accounting for business combinations for which the acquisition dates are on or after 1 January 2010. HKAS 27 (Revised 2008) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary that do not result in loss of control of the subsidiary. Changes in the Group's ownership interest that do not result in loss of control of the subsidiary will be accounted for as equity transactions.

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and financial position of the Group.

3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 *Operating Segments* with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group's Executive Directors in order to allocate resources to the segments and to assess their performance. In contrast, the predecessor Standard (HKAS 14 *Segment Reporting*) required an equity to identify two sets of segments (business and geographical) using a risks and returns approach, with the equity's "system of internal financial reporting to key management personnel" serving only as starting point for the identification of such segments. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment of profit or loss.

During the period ended 30 June 2008, the Group was organised in five operating segments - property investment, property development, property management, treasury investment and trading and manufacturing. In the third quarter of 2008, the Group was involved in the operation of hotel business by venturing into a Budget Hotels Project. Hence, there are six operating segments during the period ended 30 June 2009.

3. SEGMENT INFORMATION *(continued)*

An analysis of the Group's reportable segment profit before taxation by operating segment is as follows:

Six months ended 30 June 2009

	Property investment HK\$'000	Property development HK\$'000	Property management HK\$'000	Treasury investment HK\$'000	Trading and manufacturing HK\$'000	Hotel HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Revenue from								
external customers	115,366	–	7,222	10,662	5,902	10,101	–	149,253
Inter-segment sales	–	–	3,555	–	–	–	(3,555)	–
Total	115,366	–	10,777	10,662	5,902	10,101	(3,555)	149,253
Segment profit	159,546	(2,063)	2,921	14,919	(1,136)	(4,267)	(3,555)	166,365
Share of profit of associates								76,866
Finance costs								(25,455)
Profit before taxation								217,776

3. SEGMENT INFORMATION *(continued)*

Six months ended 30 June 2008

	Property investment HK\$'000	Property development HK\$'000	Property management HK\$'000	Treasury investment HK\$'000	Trading and manufacturing HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Revenue from							
external customers	94,229	—	6,699	21,703	7,973	—	130,604
Inter-segment sales	—	—	3,037	—	—	(3,037)	—
Total	94,229	—	9,736	21,703	7,973	(3,037)	130,604
Segment profit	460,671	(1,459)	(3,482)	(2,525)	(504)	(3,037)	449,664
Share of profit of associates							49,090
Finance costs							(48,518)
Profit before taxation							<u>450,236</u>

Segment profit represents the profit earned by each segment without allocation of share of profit of associates and finance costs. This is the measure reported to the Group's Executive Directors for the purpose of resource allocation and assessment of segment performance.

4. INCOME TAX EXPENSE

	Six months ended 30 June	
	2009 HK\$'000	2008 HK\$'000
Current tax:		
Hong Kong	4,147	2,995
The People's Republic of China (the "PRC")		
Enterprise Income Tax	2,125	6,468
	6,272	9,463
Underprovision in prior years:		
Hong Kong	—	4
	6,272	9,467
Deferred tax:		
Current period	18,413	117,169
Attributable to change in tax rate	—	(23,288)
	18,413	93,881
Income tax expense	24,685	103,348

Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) on the estimated assessable profits of those subsidiaries that are subject to Hong Kong Profits Tax. On 26 June 2008, the Hong Kong Profits Tax rate was enacted to decrease from 17.5% to 16.5% with effect from the year of assessment of 2008/2009. The effect of this decrease was reflected in the calculation of current and deferred taxation as at 30 June 2008.

Taxation arising in the PRC is calculated at 25% (2008: 25%) on the estimated assessable profits of those subsidiaries that are subject to Enterprise Income Tax in the PRC.

Starting from 1 January 2008, the Tax Law of the PRC requires withholding tax upon the distribution of undistributed retained profits earned by the PRC subsidiaries to the shareholders. Deferred tax of HK\$1,307,000 for the period (2008: HK\$1,740,000) has not been provided for in the condensed consolidated financial statements in respect of the temporary differences attributable to such profits as the Group is able to control the timing of the reversal of the temporary differences and hence it is probable that the temporary differences will not reverse in the foreseeable future.

5. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
Profit for the period has been arrived at after charging (crediting) the following items:		
Amortisation of prepaid lease payments	664	4,587
Depreciation of property, plant and equipment	9,304	5,913
Share of taxation of associates (included in share of profit of associates)	13,464	12,295
Imputed interest income on non-current interest-free loan to investee companies	(5,119)	(5,894)

6. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following information:

	Six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
Earnings for the period attributable to owners of the Company	193,973	346,100
Number of ordinary shares for the purpose of basic earnings per share	378,583,440	378,583,440

7. DIVIDENDS

	Six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
Dividends paid or declared in respect of current period:		
Final dividend declared and paid for 2008 — HK\$0.05 (2008: declared and paid for 2007 HK\$0.16) per share	18,929	60,573
Interim dividend declared for 2009 — HK\$0.08 (2008: HK\$0.10) per share	30,287	37,858

On 13 August 2009, the Board of Directors has approved that an interim cash dividend of HK\$0.08 (2008: HK\$0.10) per share, which will be paid to the shareholders of the Company whose names appear in the Register of Members on 25 September 2009.

8. MOVEMENTS IN INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT, PROPERTIES UNDER DEVELOPMENT FOR SALE AND PREPAID LEASE PAYMENTS

The Group's investment properties and leasehold land and buildings as at 30 June 2009, 30 June 2008 and the date of completion of development of the self-constructed investment properties were fair valued by Vigers Appraisal & Consulting Ltd. ("Vigers"), an independent firm of professional valuers not connected with the Group. Vigers is a member of the Institute of Valuers, and has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in the same locations and conditions. The resulting increase in fair value of investment properties of approximately HK\$98,764,000 (2008: decrease in fair value of HK\$29,174,000) has been recognised directly in the profit or loss of the condensed consolidated statement of comprehensive income.

The resulting surplus arising on revaluation of leasehold land and building amounting to approximately HK\$712,000 (2008: deficit of HK\$16,030,000) has been dealt with as follows:

- (i) a surplus of approximately HK\$708,000 (2008: deficit of HK\$16,034,000) has been credited to the profit or loss of the condensed consolidated statement of comprehensive income; and
- (ii) a surplus of approximately HK\$4,000 (2008: HK\$4,000) has been credited to the other comprehensive income of the condensed consolidated statement of comprehensive income.

8. MOVEMENTS IN INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT, PROPERTIES UNDER DEVELOPMENT FOR SALE AND PREPAID LEASE PAYMENTS *(continued)*

During the period ended 30 June 2008, investment properties under development of approximately HK\$1,822,893,000 (2009: nil) were transferred to investment properties upon completion of development of the self-constructed investment properties. The excess of the fair value at the date of transfer over the previous carrying amount of the properties under development of approximately HK\$463,277,000 (2009: nil) was recognised in the profit or loss of the condensed consolidated statement of comprehensive income.

During the period ended 30 June 2008, the Group made prepaid lease payments for land of approximately HK\$88,849,000 (2009: nil) and prepaid lease payments of approximately HK\$533,280,000 (2009: nil), which were regarded as undetermined use at 31 December 2007, were reclassified to properties under development for sale upon conclusion of plan to develop properties held for sale.

9. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 30 - 90 days to its trade customers, other than customers from sales of properties, who satisfy the credit evaluation. Proceeds receivable for sales of properties are receivable according to the terms of sale and purchase agreements.

The following is an aged analysis of trade receivables at the balance sheet date:

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Within 30 days	5,019	5,717
Between 31 days to 90 days	1,527	2,312
Over 90 days	2,335	5,170
	8,881	13,199

10. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables at the balance sheet date:

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Within 30 days	11,596	11,935
Between 31 days to 90 days	—	3
	11,596	11,938

11. BORROWINGS

During the period, the Group obtained bank loans of approximately HK\$498,558,000 (2008: HK\$175,405,000). The loans carry interest at variable market rates ranging from 1.42% to 2.98% (2008: 2.54% to 3.19%) per annum and are repayable in instalments over a period of 1 to 3 years. The proceeds were used for general working capital purposes.

12. CAPITAL COMMITMENTS

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:		
— property development expenditure	461,494	448,837
— contributions to the capital of an investee company	137,132	137,218
	598,626	586,055



REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF LIU CHONG HING INVESTMENT LIMITED

(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 4 to 21, which comprises the condensed consolidated statement of financial position of Liu Chong Hing Investment Limited (the "Company") and its subsidiaries as of 30 June 2009 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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 Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

13 August 2009

INTERIM DIVIDEND

The Board of Directors has resolved to declare an interim cash dividend for 2009 of HK\$0.08 (2008: HK\$0.10) per share, payable on 30 September 2009 to the shareholders registered on 25 September 2009.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 23 September 2009 to 25 September 2009, both days inclusive. In order to qualify for the interim dividend, all share certificates with completed transfer forms either overleaf or separately, must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 22 September 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

BANKING OPERATION

For the first half of year 2009, our banking associate Chong Hing Bank Limited (the "Bank") recorded unaudited net profit of HK\$161 million, representing 53% increase over the previous period. In effect, the profit shared by the Group was increased accordingly.

INVESTMENT PROPERTIES

The Group's investment properties continued to record sustainable growth in the first half of 2009. Total rental revenue has increased by 22% to HK\$115.4 million.

Chong Hing Square, a popular ginza-type retail/commercial development situated in the heart of Mongkok, Kowloon, offers 184,000 square feet of retail and recreational space. This 20-storey building has been 89% let and rental revenue has remained stable.

Chopping Yip Shopping Centre is located at Western District with 45,000 square feet of retail and recreational space. This property is currently 94% let.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

INVESTMENT PROPERTIES *(continued)*

Western Harbour Centre, a Grade-A office building, is located at close proximity to the Western Harbour Tunnel. The building remained 100% leased for the first half of 2009.

Fairview Court, this luxury low rise apartment building in prestigious Repulse Bay is 80% let.

SHANGHAI, CHONG HING FINANCE CENTRE

This Grade-A office building had been completed in the end of 2007, and offers 356,000 square feet of lettable office space and 51,000 square feet of commercial and retail space. As at 30 June 2009, 83% of the office and 100% of the retail area are let. Rental revenue increased by 43% to HK\$46 million.

THE GRAND RIVIERA, FOSHAN

In 2007, the Group acquired a plot of land in Foshan through government land auction at a consideration of RMB476,000,000. The Group intends to develop this project by phases over a period of 4 to 5 years. Construction work of the first phase has begun and pre-sale is expected to commence by the end of this year.

BUDGET HOTELS PROJECT

The Group operated two budget hotels in Shanghai and one in Beijing since the end of year 2008. Both of revenue and operating profit were improving. Another hotel in Guangzhou is expected to open in the second half of 2009.

LOOKING AHEAD

The Group will continue to look for good investment opportunities in the year ahead, acting with prudence and diversity.

DIRECTORS' INTERESTS IN SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2009, the long/short positions of each of the directors and chief executives and their associates in the shares and underlying shares of the Company or any of the Company's associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")), as recorded in the register required to be kept under Section 352 of Part XV of the SFO, are set out below:

(I) LONG POSITION IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

(a) The Company – Liu Chong Hing Investment Limited

Name of Director	Number of ordinary shares held			Total Interests	Total Interests as approximate % of the relevant issued share capital
	Personal Interests (held as beneficial owner)	Family Interests (Interests of spouse or child under 18)	Corporate Interests (Interests of controlled corporation)		
Mr. Liu Lit Man, Chairman	4,991,200	—	171,600,000 (Note 1)	176,591,200	46.65%
Dr. Liu Lit Mo, Managing Director	4,580,000	—	177,600,000 (Notes 1 & 2)	182,180,000	48.12%
Mr. Liu Lit Chi	141,668	—	216,723,064 (Notes 1 & 3)	216,864,732	57.28%
Dr. Liu Lit Chung	—	—	171,600,000 (Note 1)	171,600,000	45.33%
Mr. Andrew Liu	600,000	—	—	600,000	0.16%
Mr. Ng Ping Kin, Peter	20,000	—	—	20,000	0.01%

DIRECTORS' INTERESTS IN SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS *(Continued)*

(I) LONG POSITION IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS *(continued)*

(a) The Company — Liu Chong Hing Investment Limited *(continued)*

Note 1: 171,600,000 shares in the Company are beneficially held by Liu's Holdings Limited, of which Mr. Liu Lit Man, Dr. Liu Lit Mo, Mr. Liu Lit Chi and Dr. Liu Lit Chung are amongst its shareholders. The above numbers of shares are duplicated under the corporate interests for each of these directors.

Note 2: Eternal Wealth Limited, of which Dr. Liu Lit Mo and his associates are shareholders, beneficially holds 6,000,000 shares in the Company, and thus is included in the corporate interests of Dr. Liu Lit Mo.

Note 3: Alba Holdings Limited, of which Mr. Liu Lit Chi and his associates are shareholders, beneficially holds 45,123,064 shares in the Company, and thus is included in the corporate interests of Mr. Liu Lit Chi.

(b) Associate — Chong Hing Bank Limited

Name of Director	Number of ordinary shares held			Total Interests	Total Interests as approximate % of the relevant issued share capital
	Personal Interests (held as beneficial owner)	Family Interests (Interests of spouse or child under 18)	Corporate Interests (Interests of controlled corporation)		
Mr. Liu Lit Man, Executive Chairman	3,447,928	—	248,018,628 (Note 1)	251,466,556	57.81%
Mr. Liu Lit Mo, Vice Chairman	1,009,650	—	248,018,628 (Note 1)	249,028,278	57.25%
Mr. Liu Lit Chi, Managing Director & Chief Executive Officer	313,248	—	250,281,839 (Notes 1 & 2)	250,595,087	57.61%
Mr. Andrew Liu	177,000	—	—	177,000	0.04%

DIRECTORS' INTERESTS IN SHARE CAPITAL OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS *(Continued)*

(I) LONG POSITION IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS *(continued)*

(b) Associate – Chong Hing Bank Limited *(continued)*

Note 1: The corporate interests in 248,018,628 shares are attributed as follows:

- (i) 208,018,628 shares held by the Company's wholly-owned subsidiary, Liu Chong Hing Estate Company, Limited ("Liu Chong Hing Estate"), in which each of Mr. Liu Lit Man, Dr. Liu Lit Mo, Mr. Liu Lit Chi and Dr. Liu Lit Chung is deemed under the SFO to be interested through Liu's Holdings Limited, a private company holding approximately 45% of the Company's issued and fully-paid share capital; and
- (ii) 40,000,000 shares held by The Bank of Tokyo-Mitsubishi UFJ, Limited ("BTMU"). Pursuant to an agreement in 1994, BTMU has granted an option to Liu Chong Hing Estate exercisable at any time during the term of that agreement to purchase all such shares and BTMU is required to offer to sell all such shares to Liu Chong Hing Estate in certain circumstances. By virtue of the interests of Mr. Liu Lit Man, Dr. Liu Lit Mo, Mr. Liu Lit Chi and Dr. Liu Lit Chung in Liu Chong Hing Estate through Liu's Holdings Limited, each of them is deemed under the SFO to be interested in such shares.

Note 2: 2,263,211 shares are held by Alba Holdings Limited, shareholders of which include Mr. Liu Lit Chi and his associates. Accordingly, Mr. Liu Lit Chi is deemed under the SFO to be interested in such shares.

(II) SHORT POSITION IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

Other than as stated above, as at 30 June 2009, no director, chief executive nor their associates of the Company had any interest or short position, whether beneficial or non-beneficial, in the shares or the underlying shares of equity derivatives of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30 June 2009, the following person (other than the directors or the chief executives of the Company), had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO or as otherwise notified to the Company was as follows:

Name of Substantial Shareholders	Capacity	No. of ordinary shares held	% of the issued share capital
Liu's Holdings Limited	Beneficial owner	171,600,000 (Note 1)	45.33%
Alba Holdings Limited	Beneficial owner	45,123,064 (Note 2)	11.92%

All interests disclosed above represent long positions in the shares of the Company.

Note 1: Liu's Holdings Limited, a private company incorporated in Hong Kong, is wholly-owned by Mr. Liu Lit Man, Dr. Liu Lit Mo, Mr. Liu Lit Chi and Dr. Liu Lit Chung. Such corporate interests are also disclosed in the sub-section under "Directors' Interests in Share Capital of the Company and its Associated Corporations".

Note 2: Alba Holdings Limited, a private company incorporated in Hong Kong, is owned by Mr. Liu Lit Chi and his associates. Such corporate interests are also disclosed in the sub-section under "Directors' Interests in Share Capital of the Company and its Associated Corporations".

Save as disclosed above, the Company had not been notified by any person (other than the directors or chief executives of the Company) who had interests or short positions in the shares and underlying shares of the Company of 5% or more as at 30 June 2009 which were required to be disclosed to the Company under Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

During the period under review, the Company had complied with the provisions of the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), saved for the following:

Board Composition appointment, re-election and removal

Code A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election. Although the non-executive directors and the independent non-executive directors of the Company are not appointed for a specific term, all directors of the Company are subject to retirement by rotation at least once every three years in accordance with Article 99 of the Company’s Articles of Association.

CHANGES OF DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Below are the changes of directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2008 Annual Report:

Dr. Lee Tung Hai, Leo, an independent non-executive director and Remuneration Committee's Chairman of the Company, has resigned as an independent non-executive director and a member of the audit committee of the Shell Electric MFG. (Holdings) Company Limited with effect from 30 January 2009.

Dr. Cheng Mo Chi, Moses, an independent non-executive director of the Company, has resigned as non-executive director and a member of the Audit Committee of Galaxy Entertainment Group Limited with effect from 22 June 2009. He has also been a non-executive director of K.Wah International Holdings Limited since 1 August 2009.

Mr. Liu Kwun Shing, Christopher, Executive Director of the Company, the monthly remuneration had been increased to HK\$110,000 with effect from 1 August 2009.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

All directors have confirmed that they complied with the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules throughout the review period.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2009, the Company and its subsidiaries have not purchased, sold or redeemed any of the shares in the Company.

REVIEW OF UNAUDITED INTERIM ACCOUNTS

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim financial report. In addition, the condensed consolidated financial statements of the Company for the six months ended 30 June 2009 have been reviewed by our auditors, Messrs. Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements No. 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants and an unqualified review report is issued.

PUBLICATION OF RESULTS ON THE WEBSITE

This results announcement, containing the relevant information required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.lchi.com.hk). The company's interim report for 2009 will be dispatched to the shareholders of the company and available on the above websites on or about 28 August 2009.



BOARD OF DIRECTORS

As the date of this announcement, the Board of Directors of the Company comprises Executive Directors: Mr. Liu Lit Man (Chairman), Dr. Liu Lit Mo (Managing Director), Mr. Liu Lit Chi, Mr. Liu Kam Fai, Winston (Deputy Managing Director), Mr. Liu Kwun Shing, Christopher (alterate director to Dr. Liu Lit Chung) and Mr. Lee Wai Hung; Non-executive Directors: Dr. Liu Lit Chung, Mr. Andrew Liu and Mr. Liu Chun Ning, Wilfred and Independent Non-executive Directors: Dr. The Hon. Lee Tung Hai, Leo, Mr. Ng Ping Kin, Peter, Dr. Cheng Mo Chi, Moses and Mr. Tong Tsin Ka.

By Order of the Board

Dr. Liu Lit Mo

Managing Director

Hong Kong, 13 August 2009