



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

# LIU CHONG HING

Interim Report 2014

Stock Code: 194

## CORPORATE INFORMATION

### HONORARY CHAIRMAN

Mr. Liu Lit Man, GBS, J.P., F.I.B.A.

### BOARD OF DIRECTORS

#### Executive Directors

Dr. Liu Lit Mo, LL.D, MBE, J.P. (*Chairman*)

Mr. Liu Lit Chi (*Managing Director and Chief Executive Officer*)

Mr. Liu Kam Fai, Winston  
(*Deputy Managing Director*)

Mr. Liu Kwun Shing, Christopher  
(*also 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

Mr. Kho Eng Tjoan, Christopher  
BES. M. Arch, HKIA, RIBA, ARAIA, MRAIC,  
Assoc. AIA, Registered Architect,  
A.P. (Architect), MHKIoD

#### Independent Non-executive Directors

Dr. Cheng Mo Chi, Moses,  
GBS, OBE, LLB (HK), J.P.

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

Mr. Au Kam Yuen, Arthur

Dr. Ma Hung Ming, John, PhD, BBS

Mr. Cheng Yuk Wo (*appointment effective from 7 March 2014*)

### COMPANY SECRETARY

Mr. Lee Wai Hung

### AUDIT COMMITTEE

Mr. Tong Tsin Ka (*Chairman*)

Dr. Cheng Mo Chi, Moses

Mr. Kho Eng Tjoan, Christopher

Mr. Au Kam Yuen, Arthur

Dr. Ma Hung Ming, John

Mr. Cheng Yuk Wo

Mr. Lee Wai Hung (*Secretary*)

### NOMINATION COMMITTEE

Dr. Liu Lit Mo (*Chairman*)

Dr. Cheng Mo Chi, Moses

Mr. Tong Tsin Ka

Mr. Kho Eng Tjoan, Christopher

Mr. Au Kam Yuen, Arthur

Dr. Ma Hung Ming, John

Mr. Lee Wai Hung (*Secretary*)

### REMUNERATION COMMITTEE

Dr. Cheng Mo Chi, Moses (*Chairman*)

Mr. Tong Tsin Ka

Mr. Kho Eng Tjoan, Christopher

Mr. Au Kam Yuen, Arthur

Dr. Ma Hung Ming, John

Ms. Cavior Liu (*Secretary*)

### CORPORATE GOVERNANCE COMMITTEE

Dr. Liu Lit Mo (*Chairman*)

Dr. Cheng Mo Chi, Moses

Mr. Tong Tsin Ka

Mr. Liu Kam Fai, Winston

Mr. Liu Kwun Shing, Christopher

Mr. Lee Wai Hung

**SOLICITORS**

Deacons  
Gallant Y.T. Ho & Co.  
P.C. Woo & Co.  
Slaughter & May

**AUDITORS**

Deloitte Touche Tohmatsu  
*Certified Public Accountants*

**BANKERS**

Chong Hing Bank Limited  
Australia and New Zealand Banking Group  
Limited  
China CITIC Bank International Limited  
Credit Suisse AG Hong Kong Branch  
DBS Bank (Hong Kong) Limited  
Fubon Bank (Hong Kong) Limited  
Hang Seng Bank Limited  
Nanyang Commercial Bank, Limited  
Standard Chartered Bank (Hong Kong)  
Limited  
The Bank of Tokyo-Mitsubishi UFJ, Limited  
The Hong Kong and Shanghai Banking  
Corporation Limited  
Wing Hang Bank, Limited  
Wing Lung Bank Limited

**REGISTERED OFFICE**

25th Floor, Chong Hing Bank Centre  
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**GUANGZHOU OFFICE**

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**SHANGHAI OFFICE**

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**FOSHAN OFFICE**

First Phase, The Grand Riviera  
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Fax: (86757) 6386 2218

## SHAREHOLDERS' INFORMATION

### FINANCIAL CALENDAR

#### As at 8 August 2014

<b>Annual General Meeting</b>	:	Held on 22 April 2014
<b>Interim Results for six-month ended 30 June 2014</b>	:	Announced on 8 August 2014
<b>Dividends</b>		
Interim cash dividend	:	HK\$0.15 per share
Payable on	:	24 September 2014
<b>Ex-dividend date of interim dividend</b>	:	12 September 2014
<b>Latest time to lodge transfer forms</b>	:	4:30 p.m. on 15 September 2014
<b>Closure of Register of Members</b>	:	From 16 September 2014 to 18 September 2014 (both days inclusive)
<b>Share Registrars and transfer office</b>	:	Computershare Hong Kong Investor Services Limited Shops 1712–1716, 17th Floor Hopewell Centre, 183 Queen's Road East Wanchai, Hong Kong
<b>Share listing</b>	:	The Company's shares are listed on The Stock Exchange of Hong Kong Limited
<b>Stock Code</b>	:	194
<b>Board lot</b>	:	2,000 shares
<b>No. of issued ordinary share</b>	:	378,583,440 shares
<b>Company's e-mail address</b>	:	info@lchi.com.hk
<b>Investors and Shareholders contact</b>	:	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: <a href="http://www.lchi.com.hk">http://www.lchi.com.hk</a>

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2014

	NOTES	Six months ended 30 June	
		2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited) (restated)
<b>Continuing operations</b>			
Revenue		<b>267,958</b>	197,297
Direct costs		<b>(63,289)</b>	(52,176)
		<b>204,669</b>	145,121
Other income		<b>5,894</b>	5,476
Administrative and operating expenses		<b>(85,737)</b>	(70,922)
Other gains and losses	5	<b>144,477</b>	96,055
Finance costs		<b>(43,023)</b>	(49,093)
Share of results of joint ventures		<b>(92)</b>	58
		<b>226,188</b>	126,695
Profit before tax		<b>226,188</b>	126,695
Income tax expense	6	<b>(16,438)</b>	(15,816)
		<b>209,750</b>	110,879
Profit for the period from continuing operations		<b>209,750</b>	110,879
<b>Discontinued operations</b>			
Profit for the period from discontinued operations	7	<b>2,983,607</b>	272,721
		<b>3,193,357</b>	383,600
Profit for the period	8	<b>3,193,357</b>	383,600

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2014

	NOTES	Six months ended 30 June	
		2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited) (restated)
Profit for the period attributable to owners of the Company			
— from continuing operations		<b>205,403</b>	109,955
— from discontinued operations		<b>1,963,335</b>	135,113
		<b>2,168,738</b>	245,068
Profit for the period attributable to non-controlling interests			
— from continuing operations		<b>4,347</b>	924
— from discontinued operations		<b>1,020,272</b>	137,608
		<b>1,024,619</b>	138,532
		<b>3,193,357</b>	383,600
Basic earnings per share			
— from continuing and discontinued operations	9	<b>HK\$5.73</b>	HK\$0.65
— from continuing operations	9	<b>HK\$0.54</b>	HK\$0.29

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Six months ended 30 June	
	2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited)
Profit for the period	<b>3,193,357</b>	383,600
Other comprehensive (expense) income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation	<b>(52,794)</b>	76,677
Fair value losses on available-for-sale investments	<b>(71,262)</b>	(46,105)
Income tax relating to fair value change of available-for-sale investments	–	11,873
Amount reclassified to profit or loss upon disposal of available-for-sale investments	<b>(40,958)</b>	(38,130)
Income tax relating to disposal of available-for-sale investments	–	8
Share of other comprehensive expense of associates	–	(230)
Reclassification adjustments for amounts transferred to profit or loss upon disposal of subsidiaries	<b>(90,376)</b>	–
	<b>(255,390)</b>	4,093
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Gain on revaluation upon transfer from property, plant and equipment to investment properties	<b>1,469,601</b>	–
Other comprehensive income for the period (net of tax)	<b>1,214,211</b>	4,093
Total comprehensive income for the period	<b>4,407,568</b>	387,693
Total comprehensive income attributable to:		
Owners of the Company	<b>3,416,101</b>	275,049
Non-controlling interests	<b>991,467</b>	112,644
	<b>4,407,568</b>	387,693

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	NOTES	30 June 2014 HK\$'000 (unaudited)	31 December 2013 HK\$'000 (audited)
<b>Non-current assets</b>			
Investment properties	11	7,649,741	5,962,913
Property, plant and equipment	11	103,205	303,522
Properties under development		712,931	702,200
Investments in joint ventures		2,676	2,768
Investments in securities	12	663,383	424,541
Advances to investee companies		129,040	193,424
Deferred tax assets		680	680
		<b>9,261,656</b>	7,590,048
<b>Current assets</b>			
Properties under development for sale		813,403	642,547
Properties held for sale		573,756	590,967
Inventories		18,538	18,467
Trade and other receivables	13	151,322	113,929
Investments in securities	12	41,890	20,004
Fixed bank deposits with more than three months to maturity when raised		1,691,895	122,620
Other bank balances and cash		1,270,887	465,682
		<b>4,561,691</b>	1,974,216
Assets classified as held for sale	7	–	84,876,561
		<b>4,561,691</b>	86,850,777
<b>Current liabilities</b>			
Trade and other payables	14	348,061	212,665
Taxation payable		10,126	5,413
Borrowings — due within one year	15	567,118	1,833,774
		<b>925,305</b>	2,051,852



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2014

	NOTES	30 June 2014 HK\$'000 (unaudited)	31 December 2013 HK\$'000 (audited)
Liabilities associated with assets classified as held for sale	7	-	77,214,362
		<b>925,305</b>	79,266,214
Net current assets		<b>3,636,386</b>	7,584,563
Total assets less current liabilities		<b>12,898,042</b>	15,174,611
<b>Non-current liabilities</b>			
Borrowings — due after one year	15	<b>1,960,125</b>	1,948,402
Deferred tax liabilities		<b>213,815</b>	209,887
		<b>2,173,940</b>	2,158,289
		<b>10,724,102</b>	13,016,322
<b>Equity</b>			
Share capital		<b>381,535</b>	378,583
Reserves		<b>10,320,541</b>	8,739,736
Equity attributable to:			
Owners of the Company		<b>10,702,076</b>	9,118,319
Non-controlling interests		<b>22,026</b>	3,898,003
<b>Total equity</b>		<b>10,724,102</b>	13,016,322

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Attributable to owners of the Company							Total	Non-controlling interests	Total
	Share capital	Special reserve	Property revaluation reserve	Investment revaluation reserve	Capital redemption reserve	Exchange reserve	Accumulated profits			
	HK\$'000	HK\$'000 (note a)	HK\$'000 (note b)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2013	378,583	13,915	1,711,859	248,655	2,952	499,882	5,740,424	8,596,270	3,696,759	12,293,029
Profit for the period	-	-	-	-	-	-	245,068	245,068	138,532	383,600
Exchange differences arising on translation	-	-	-	-	-	73,132	-	73,132	3,545	76,677
Fair value losses on available-for-sale investments	-	-	-	(10,895)	-	-	-	(10,895)	(35,210)	(46,105)
Income tax relating to fair value change of available-for-sale investments	-	-	-	5,960	-	-	-	5,960	5,913	11,873
Amount reclassified to profit or loss upon disposal of available-for-sale investments	-	-	-	(38,105)	-	-	-	(38,105)	(25)	(38,130)
Income tax relating to disposal of available-for-sale investments	-	-	-	4	-	-	-	4	4	8
Share of other comprehensive expense of associates	-	-	-	(115)	-	-	-	(115)	(115)	(230)
Other comprehensive income for the period	-	-	-	(43,151)	-	73,132	-	29,981	(25,868)	4,093
Total comprehensive income for the period	-	-	-	(43,151)	-	73,132	245,068	275,049	112,644	387,693
Dividends recognised as distribution (note 10)	-	-	-	-	-	-	(68,145)	(68,145)	-	(68,145)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(75,825)	(75,825)
At 30 June 2013 (unaudited)	378,583	13,915	1,711,859	205,504	2,952	573,014	5,917,347	8,803,174	3,733,578	12,536,752
Profit for the period	-	-	-	-	-	-	298,392	298,392	143,744	442,136
Exchange differences arising on translation	-	-	-	-	-	15,080	-	15,080	23,770	38,850
Fair value gains on available-for-sale investments	-	-	-	68,168	-	-	-	68,168	33,188	101,356
Income tax relating to fair value change of available-for-sale investments	-	-	-	(5,702)	-	-	-	(5,702)	(5,657)	(11,359)
Amount reclassified to profit or loss upon disposal of available-for-sale investments	-	-	-	(23,410)	-	-	-	(23,410)	(763)	(24,173)
Income tax relating to disposal of available-for-sale investments	-	-	-	127	-	-	-	127	126	253
Share of other comprehensive income of associates	-	-	-	348	-	-	-	348	346	694
Other comprehensive income for the period	-	-	-	39,531	-	15,080	-	54,611	51,010	105,621
Total comprehensive income for the period	-	-	-	39,531	-	15,080	298,392	353,003	194,754	547,757
Dividends recognised as distribution (note 10)	-	-	-	-	-	-	(37,858)	(37,858)	-	(37,858)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(30,329)	(30,329)
At 31 December 2013 (audited)	378,583	13,915	1,711,859	245,035	2,952	588,094	6,177,881	9,118,319	3,898,003	13,016,322

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Attributable to owners of the Company							Total	Non-controlling interests	Total
	Share capital	Special reserve	Property revaluation reserve	Investment revaluation reserve	Capital redemption reserve	Exchange reserve	Accumulated profits			
	HK\$'000	HK\$'000 (note a)	HK\$'000 (note b)	HK\$'000	HK\$'000	HK\$'000	HK\$'000			
Profit for the period	-	-	-	-	-	-	2,168,738	2,168,738	1,024,619	3,193,357
Exchange differences arising on translation	-	-	-	-	-	(37,654)	-	(37,654)	(15,140)	(52,794)
Fair value losses on available-for-sale investments	-	-	-	(53,250)	-	-	-	(53,250)	(18,012)	(71,262)
Amount reclassified to profit or loss upon disposal of available-for-sale investments	-	-	-	(40,958)	-	-	-	(40,958)	-	(40,958)
Disposal of subsidiaries (note 7)	-	-	-	(68,406)	-	(21,970)	-	(90,376)	-	(90,376)
Gain on revaluation upon transfer from property, plant and equipment to investment properties (note 11)	-	-	1,469,601	-	-	-	-	1,469,601	-	1,469,601
Other comprehensive income for the period	-	-	1,469,601	(162,614)	-	(59,624)	-	1,247,363	(33,152)	1,214,211
Total comprehensive income for the period	-	-	1,469,601	(162,614)	-	(59,624)	2,168,738	3,416,101	991,467	4,407,568
Transfer upon abolition of par value under the new Hong Kong Companies Ordinance (note c)	2,952	-	-	-	(2,952)	-	-	-	-	-
Disposal of subsidiaries	-	-	(224,643)	-	-	-	224,643	-	(3,893,588)	(3,893,588)
Dividends recognised as distribution (note 10)	-	-	-	-	-	-	(1,832,344)	(1,832,344)	-	(1,832,344)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(973,856)	(973,856)
At 30 June 2014 (unaudited)	381,535	13,915	2,956,817	82,421	-	528,470	6,738,918	10,702,076	22,026	10,724,102

### Notes:

- 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 and the year ended 31 December 2012.
- The property revaluation reserve represents the reserve arising from revaluation of properties under property, plant and equipment upon transfer to investment properties.
- The Company has no authorised share capital and its shares have no par value since the commencement date of the new Hong Kong Companies Ordinance (i.e. 3 March 2014).

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Six months ended 30 June	
	2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited)
NET CASH FROM (USED IN) OPERATING ACTIVITIES INCLUDING DISCONTINUED OPERATIONS	<b>4,703,755</b>	(2,972,120)
INVESTING ACTIVITIES		
Net cash outflow from losing control of subsidiaries	<b>(13,814,839)</b>	–
Purchase of held-to-maturity securities	–	(12,987,556)
Additional investments in available-for-sale investments	<b>(123,261)</b>	(555,474)
Purchase of property, plant and equipment	<b>(567,648)</b>	(18,763)
Increase in fixed bank deposits with more than three months to maturity when raised	<b>(1,327,516)</b>	(102,817)
Purchase of investment properties	<b>(1,671,422)</b>	–
Repayment from an investee company	<b>64,500</b>	100,000
Proceeds from redemption of held-to-maturity securities	<b>1,087,711</b>	11,030,602
Proceeds from sale and redemption of available-for-sale investments	<b>45,438</b>	72,590
Interest received on available-for-sale investments and held-to-maturity securities	<b>37,018</b>	170,783
Dividend received from CHB Group	<b>992,617</b>	–
Dividend received from associates	–	4,200
Proceeds from disposal of investment properties	–	3,927
Proceeds from disposal of property, plant and equipment	<b>3,146</b>	199
NET CASH USED IN INVESTING ACTIVITIES	<b>(15,274,256)</b>	(2,282,309)
FINANCING ACTIVITIES		
New borrowings raised	<b>457,051</b>	200,257
Repayments of borrowings	<b>(1,717,370)</b>	(259,300)
Dividend paid	<b>(1,128,179)</b>	(143,970)
Interest paid on borrowings	<b>(49,101)</b>	(54,697)
Interest paid on loan capital	<b>(11,673)</b>	(31,806)
NET CASH USED IN FINANCING ACTIVITIES	<b>(2,449,272)</b>	(289,516)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2014

	Six months ended 30 June	
	2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited)
NET DECREASE IN CASH AND CASH EQUIVALENTS	<b>(13,019,773)</b>	(5,543,945)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<b>14,322,810</b>	15,382,661
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<b>(32,150)</b>	(3,374)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<b>1,270,887</b>	9,835,342
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by:		
Money at call and short notice with original maturity of three months or less	–	6,489,238
Cash and balances with banks and other financial institutions	<b>1,270,887</b>	4,043,359
Placements with banks and other financial institutions with original maturity of three months or less	–	827,166
Exchange fund bills with original maturity of three months or less	–	49,999
Deposits and balances of banks and other financial institutions with original maturity of three months or less	–	(1,574,420)
	<b>1,270,887</b>	9,835,342

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014

### 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 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 of Hong Kong Limited (the "Listing Rules").

### 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

In the current interim period, the Group has applied, for the first time, the following new interpretation and amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC)-Int 21	Levies

The application of the new interpretation and amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

### 3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resources allocation or assessment of segment performance focuses on types of goods and services delivered or provided. No operating segment identified by the CODM have been aggregated in arriving at the reportable segment of the Group.

Specifically, the Group's operating and reportable segments under HKFRS 8 are as follows:

1. Property investment — investment and letting of properties
2. Property development — development and sale of properties
3. Property management — provision of property management services
4. Treasury investment — dealings and investments in securities and other financial instruments
5. Trading and manufacturing — manufacture and sale of magnetic products
6. Hotel operation — management and operation of hotels

An operating segment comprising the financial services operations carried out through the Chong Hing Bank Limited and its subsidiaries ("CHB" and collectively the "CHB Group") was reclassified as discontinued operations during the year ended 31 December 2013. The segment information reported set out below does not include any amounts for these discontinued operations, which are described in more detail in note 7.

### 3. SEGMENT INFORMATION *(continued)*

#### Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segment.

	Property investment	Property development	Property management	Treasury investment	Trading and manufacturing	Hotel operation	Total	Eliminations	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>For the six months ended 30 June 2014</b>									
Segment revenue	166,887	12,883	11,929	34,310	22,998	23,860	272,867	(4,909)	267,958
Comprising:									
– revenue from customers	166,679	12,883	7,506	34,032	22,998	23,860			
– inter-segment transactions (note)	208	-	4,423	278	-	-			
Operating expenses	(48,270)	(13,245)	(7,829)	(33,781)	(21,779)	(23,739)	(148,643)	5,511	(143,132)
Losses on changes in fair value on financial instruments at fair value through profit or loss ("FVTPL")	-	-	-	(1,461)	-	-	(1,461)	-	(1,461)
Net exchange gains (losses)	(171)	124	62	(30,973)	-	(9)	(30,967)	-	(30,967)
Gains on disposal of available-for-sale investments	-	-	-	48,672	-	-	48,672	-	48,672
Gains on change in fair value of investment properties	44,074	-	-	-	-	-	44,074	-	44,074
Gain on initial recognition of available-for-sale investments	-	-	-	84,159	-	-	84,159	-	84,159
Segment profit (loss)	162,520	(238)	4,162	100,926	1,219	112	268,701	602	269,303
Finance costs									(43,023)
Share of results of joint ventures									(92)
Profit before tax from continuing operations									226,188

Note: Inter-segment sales are charged at prevailing market rates.



### 3. SEGMENT INFORMATION *(continued)*

#### Segment revenue and results *(continued)*

The following is an analysis of the Group's revenue and results from continuing operations by reportable and operating segment.

	Property investment	Property development	Property management	Treasury investment	Trading and manufacturing	Hotel operation	Total	Eliminations	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>For the six months ended</b>									
<b>30 June 2013 (restated)</b>									
Segment revenue	132,600	5,185	8,191	9,872	22,253	24,598	202,699	(6,402)	197,297
Comprising:									
– revenue from customers	132,359	5,185	4,513	8,389	22,253	24,598			
– inter-segment transactions (note)	241	–	3,678	1,483	–	–			
Operating expenses	(58,456)	(6,151)	(11,748)	(1,300)	(21,544)	(26,481)	(125,680)	8,058	(117,622)
Gains on changes in fair value on financial instruments at FVTPL	–	–	–	2,019	–	–	2,019	–	2,019
Net exchange gains (losses)	(862)	1,985	(112)	3,888	–	–	4,919	–	4,919
Net losses on disposal of property, plant and equipment	–	(293)	–	(271)	–	–	(564)	–	(564)
Gains on disposal of available-for-sale investments	–	–	–	43,863	–	–	43,863	–	43,863
Gains on change in fair value of investment properties	45,618	–	–	–	–	–	45,618	–	45,618
Segment profit (loss)	119,100	736	(3,668)	58,081	709	(1,883)	173,074	2,656	175,730
Finance costs									(49,093)
Share of results of joint ventures									58
Profit before tax from continuing operations									126,695

Note: Inter-segment sales are charged at prevailing market rates.

Segment profit/loss represents the profit earned by/loss from each segment without allocation of share of results of joint ventures and finance costs. In addition, administrative costs incurred by the treasury investment segment on behalf of other segments are allocated to respective operating segments on the basis of revenues earned by individual operating segments. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Since the CODM does not review assets and liabilities of the Group's reportable segments for performance assessment and resource allocation purpose, the Group has not included total asset information as part of segment information.

#### 4. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

##### Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Fair value hierarchy			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
<b>30 June 2014</b>				
<b>Financial assets at FVTPL</b>				
Non-derivative financial assets held for trading	10,405	–	–	10,405
Financial assets designated as at FVTPL	–	41,653	–	41,653
<b>Available-for-sale financial assets</b>				
Listed equity securities	247,133	–	–	247,133
Listed debt securities	1,164	–	–	1,164
Unlisted equity securities	–	–	340,063	340,063
Investment funds	–	–	64,855	64,855
<b>Total</b>	<b>258,702</b>	<b>41,653</b>	<b>404,918</b>	<b>705,273</b>

#### 4. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

(continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

	Fair value hierarchy			Total HK\$'000
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	
<b>31 December 2013</b>				
<b>Financial assets at FVTPL</b>				
Non-derivative financial assets held for trading	11,042	–	–	11,042
Financial assets designated as at FVTPL	–	27,215	–	27,215
<b>Available-for-sale financial assets</b>				
Listed equity securities	473	–	–	473
Listed debt securities	1,164	–	–	1,164
Unlisted equity securities	–	–	293,765	293,765
Investment funds	–	–	110,886	110,886
<b>Total</b>	<b>12,679</b>	<b>27,215</b>	<b>404,651</b>	<b>444,545</b>

There were no transfers between Levels 1, 2 and 3 for both periods.

The fair values of listed equity securities are determined with reference to quoted market bid prices from relevant stock exchanges.

The fair values of debt securities classified as available-for-sale securities are determined based on indicative prices provided by the dealers and brokers. In addition, the Group makes comparison of the indicative prices with the prices obtained from pricing services providers and with the values calculated using valuation models such as discounted cash flows method to substantiate the indicative prices of the debt securities. The key inputs used in the valuation models are the interest rate data, which are observable at the end of the reporting period. The objective of valuation models is to arrive at a fair value estimation that reflects the price of the financial instrument at the reporting date, which would have been determined by market participants acting at arm's length.

The fair values of structured products designated as financial assets at FVTPL are calculated using discounted cash flows analysis derived from quoted interest rates, which are observable at the end of the reporting period.

#### 4. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

(continued)

**Fair value of the Group's financial assets that are measured at fair value on a recurring basis** (continued)

The fair values of investment funds are determined by using valuation technique of market approach, which included some assumptions that are not supportable by observable market prices or rates. The inputs used in estimating the value of investment funds include the original transaction price, recent transactions and market-multiple of the same or similar instruments, completed or pending third-party transactions in the underlying investment.

The fair values of unlisted equity securities are determined with reference to market values of underlying assets, which mainly include investment properties held by the investee company. The valuation of the properties was principally arrived at using the basis of comparison method, in which property is valued on the assumption that the property can be sold with the benefit of vacant possession. Comparison based on prices realised on actual sales of comparable properties is made for similar properties in the similar location.

The directors of the Group consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

##### Reconciliation of Level 3 fair value measurements of financial assets

	<b>Financial assets designated at FVTPL HK\$'000</b>	<b>Available- for-sale investments HK\$'000</b>	<b>Total HK\$'000</b>
Balance at 1 January 2014	–	404,651	404,651
Total net gains recognised in other comprehensive income	–	82,759	82,759
Purchases	–	420	420
Matured/disposals	–	(37,724)	(37,724)
Return of capital contribution	–	(45,188)	(45,188)
Balance at 30 June 2014	–	404,918	404,918

#### 4. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

(continued)

Reconciliation of Level 3 fair value measurements of financial assets (continued)

	Financial assets designated at FVTPL HK\$'000	Available- for-sale investments HK\$'000	Total HK\$'000
Balance at 1 January 2013	419,101	404,595	823,696
Total net losses recognised in profit or loss	(493)	–	(493)
Total net gains recognised in other comprehensive income	–	29,204	29,204
Purchases	–	21,803	21,803
Matured/disposals	(418,608)	(66,608)	(485,216)
Return of capital contribution	–	(2,271)	(2,271)
Balance at 30 June 2013	–	386,723	386,723

Included in other comprehensive income is a gain of HK\$82,759,000 (six months ended 30 June 2013: a gain of HK\$29,204,000) related to available-for-sale investments held at the end of the reporting period.

A small percentage of the financial assets, representing 2.9% (31 December 2013: 0.4%) of total assets in the condensed consolidated statement of financial position of the Group, is based on estimates and recorded as Level 3 investments. Whilst the valuation of such investments is sensitive to estimates, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not have a big impact on the Group's financial positions.

##### Fair value measurements and valuation process

The management performs regular reviews to determine the appropriate valuation techniques and inputs for fair value measurement.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers or other service providers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The respective management team reports the findings to the Board of Directors of the Company regularly to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed above.

## 5. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000 (restated)
<b>Continuing operations</b>		
Gain on initial recognition of available-for-sale investments	84,159	–
Gains on disposal of available-for-sale investments	48,672	43,863
Gains on change in fair value of investment properties	44,074	45,818
Net exchange (losses) gains	(30,967)	4,919
(Losses) gains on changes in fair value of financial instruments at FVTPL	(1,461)	2,019
Net losses on disposal of property, plant and equipment	–	(564)
	<b>144,477</b>	<b>96,055</b>

## 6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000 (restated)
<b>Continuing operations</b>		
Current tax		
Hong Kong	7,779	7,616
Overseas Tax	4,731	1,393
Deferred taxation	3,928	6,807
Income tax expense	<b>16,438</b>	<b>15,816</b>

Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2013: 16.5%) of the estimated assessable profit for both periods.

Taxation arising in other jurisdictions is calculated at the rates prevailing on the relevant jurisdictions.

## 7. DISCONTINUED OPERATIONS/DISPOSAL OF SUBSIDIARIES

On 25 October 2013, the Group entered into an irrevocable undertaking with Yue Xiu Enterprises (Holdings) Limited ("Yue Xiu Enterprises"), an independent third party to the Group, whereby the Group agreed to accept the offer in respect of disposal of a maximum of 218,359,628 CHB shares (representing approximately 50.2% of the issued share capital of CHB) held by the Group. CHB Group is engaged in the provision of banking and related financial services. The assets and liabilities attributable to the CHB Group, which as at 31 December 2013 were expected to be sold within twelve months, had been classified as a disposal group held for sale and were presented separately in the consolidated statement of financial position as at 31 December 2013.

The disposal of 167,951,210 CHB shares was completed in February 2014. On the same date, the Group acquired an owner-occupied property from CHB Group for a consideration of HK\$2,230,000,000 and a special dividend of HK\$1,960,732,000 was declared by CHB Group in relation to the gain on disposal of the property to the Group. Upon the completion of the disposal, the Group's remaining shareholding of 50,408,418 CHB shares (representing approximately 11.59% of the issued share capital of CHB) was remeasured to fair value and classified as available-for-sale investments.

The profit from the discontinued operations for the current and preceding interim periods was as follows:

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Profit of financial services operations for the period	92,451	272,721
Gain on disposal of financial services operations	2,891,156	–
	<b>2,983,607</b>	272,721

## 7. DISCONTINUED OPERATIONS/DISPOSAL OF SUBSIDIARIES

(continued)

The results of the financial services operations for the current and preceding interim periods were as follows:

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Interest income	<b>248,502</b>	761,171
Interest expense	<b>(93,968)</b>	(284,880)
Net interest income	<b>154,534</b>	476,291
Fee and commission income	<b>36,051</b>	140,228
Fee and commission expenses	<b>(9,716)</b>	(34,351)
Net fee and commission income	<b>26,335</b>	105,877
Net losses on change in fair value on financial instruments at FVTPL	<b>–</b>	(116,056)
Net losses on fair value hedge	<b>(31,600)</b>	(262)
Other operating income	<b>58,208</b>	224,310
Operating expenses	<b>(92,007)</b>	(358,555)
	<b>115,470</b>	331,605
Impairment allowances on loans and advances	<b>(5,352)</b>	(17,592)
Net gains (losses) on disposal of property and equipment	<b>749</b>	(978)
Net gains on disposal of available-for-sale securities	<b>–</b>	51
Gains on change in fair value of investment properties	<b>–</b>	1,910
Gains on disposal of investment properties	<b>–</b>	2,327
Share of profits of associates	<b>–</b>	8,348
Profit before tax	<b>110,867</b>	325,671
Income tax expense	<b>(18,416)</b>	(52,950)
Profit for the period	<b>92,451</b>	272,721



## 7. DISCONTINUED OPERATIONS/DISPOSAL OF SUBSIDIARIES

(continued)

The net assets of CHB Group at the date of disposal were as follows:

	HK\$'000
Cash and short-term funds	19,849,649
Placements with banks and other financial institutions maturing between one to twelve months	7,761,022
Derivative financial assets	157,264
Financial assets at FVTPL	92,301
Available-for-sale securities	5,567,497
Held-to-maturity securities	7,239,011
Advances and other accounts	44,065,070
Tax recoverable	463
Interests in associates	199,436
Investment properties	136,575
Property and equipment	631,519
Prepaid lease payments for land	2,397
Deferred tax assets	2,972
Goodwill	50,606
Consideration receivable in connection with the disposal of Chong Hing Bank Centre	2,230,000
Deposits and balances of banks and other financial institutions	(1,478,698)
Financial assets sold under repurchase agreements	(1,423,816)
Deposits from customers	(71,757,965)
Certificates of deposit	(663,688)
Derivative financial liabilities	(141,909)
Other accounts and accruals	(876,837)
Special dividend payable in connection with the disposal of Chong Hing Bank Centre	(1,960,732)
Current tax liabilities	(80,924)
Loan capital	(1,801,057)
Deferred tax liabilities	(9,662)
<b>Net assets disposed of</b>	<b>7,790,494</b>
Cash consideration received	5,994,178
Net assets disposed of	(7,790,494)
Non-controlling interests	3,893,588
Transaction costs incurred in connection with the disposal of CHB Group	(234,089)
Cumulative exchange reserve and investment revaluation reserve reclassified to profit or loss	90,376
Fair value of retained shares in CHB Group classified as available-for-sale investments	937,597
<b>Gain on disposal of CHB Group</b>	<b>2,891,156</b>

**7. DISCONTINUED OPERATIONS/DISPOSAL OF SUBSIDIARIES***(continued)*

	HK\$'000
Satisfied by:	
Cash received from disposal of CHB Group	5,994,178
Net cash outflow arising on disposal:	
Total cash consideration received	5,994,178
Bank balances and cash disposed of	(19,809,017)
	<u>(13,814,839)</u>

Cash flows from CHB Group:

	<b>Six months ended 30 June</b>	
	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
Net cash from (used in) operating activities	<b>4,927,708</b>	(2,973,323)
Net cash from (used in) investing activities	<b>1,001,262</b>	(2,322,821)
Net cash used in financing activities	<b>(11,673)</b>	(107,631)
	<b>5,917,297</b>	(5,403,775)

**8. PROFIT FOR THE PERIOD**

	<b>Six months ended 30 June</b>	
	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
Profit for the period from continuing operations has been		
Staff costs including directors' emoluments	<b>33,830</b>	30,401
Auditor's remuneration	<b>763</b>	688
Depreciation of property, plant and equipment	<b>5,607</b>	6,351
Operating lease rentals in respect of land and buildings	<b>9,012</b>	9,234

## 9. BASIC EARNINGS PER SHARE

### From continuing and discontinued operations

The calculation of the basic earnings per share attributable to the owners of the Company is based on the profit for the period attributable to owners of the Company of HK\$2,168,738,000 (six months ended 30 June 2013: HK\$245,068,000) and on 378,583,440 (30 June 2013: 378,583,440) ordinary shares in issue during the period.

### From continuing operations

The calculation of the basic earnings per share attributable to the owners of the Company is based on the profit for the period attributable to owners of the Company of HK\$205,403,000 (six months ended 30 June 2013: HK\$109,955,000) and on 378,583,440 (30 June 2013: 378,583,440) ordinary shares in issue during the period.

### From discontinued operations

The basic earnings per share attributable to the owners of the Company is HK\$5.19 (six months ended 30 June 2013: HK\$0.36) which is based on the profit for the period of HK\$1,963,335,000 (six months ended 30 June 2013: HK\$135,113,000) and on 378,583,440 (30 June 2013: 378,583,440) ordinary shares in issue during the period.

No diluted earnings per share has been presented as there were no potential ordinary shares in issue during both periods.

## 10. DIVIDENDS

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Dividends recognised as distribution during the period:		
Final dividend declared and paid for 2013 — HK\$0.18 per share (2013: declared and paid for 2012 HK\$0.18 per share)	68,145	68,145
Special cash dividend declared and paid due to the completion of disposal of CHB Group — HK\$2.80 per share (2013: HK\$nil)	1,060,034	—
Special dividend by way of distribution in specie (note)	704,165	—
	<b>1,832,344</b>	68,145
Dividend declared in respect of current period:		
Interim dividend declared for 2014 — HK\$0.15 per share (2013: HK\$0.10 per share)	56,788	37,858

## 10. DIVIDENDS *(continued)*

Note: For the Annual General Meeting held on 22 April 2014, a resolution was duly passed to declare a special dividend to be satisfied by way of distribution in specie in the proportion of 1 share in the issued share capital of CHB for every 10 shares in the issued share capital of the Company. A total of 37,858,344 CHB shares with an aggregate market value of HK\$704,165,000 was recognised as distribution during the period.

On 8 August 2014, the Board of Directors has approved an interim cash dividend of HK\$0.15 per share (2013: HK\$0.10 per share), which will be paid to the Company's shareholders whose names appear on the Register of Members on 18 September 2014.

## 11. MOVEMENTS IN INVESTMENT PROPERTIES/PROPERTY, PLANT AND EQUIPMENT

During the current period, the Group's owner-occupied property with carrying value of HK\$201,821,000 was transferred to investment properties upon commencement of an operating lease to CHB Group. Fair value of the owner-occupied property at the date of transfer amounted to HK\$1,671,422,000, resulting in a gain on revaluation of HK\$1,469,601,000 credited to property revaluation reserve during the period.

On 30 June 2014 and 31 December 2013, independent valuations were undertaken by Vigers Appraisal & Consulting Ltd. ("Vigers"), an independent firm of professional valuers not connected to the Group which has appropriate professional qualifications and recent experience in the valuation of similar properties in the relevant locations.

The valuations have been arrived at using direct comparison method and income capitalisation method, where appropriate. In the valuations, the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuer for the similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties.

The resulting gains on change in fair value of investment properties of approximately HK\$44,074,000 (six months ended 30 June 2013: HK\$47,728,000) has been recognised directly in profit or loss.

## 12. INVESTMENTS IN SECURITIES

	Notes	Financial assets at FVTPL Held for trading HK\$'000	Designated at fair value HK\$'000	Available- for-sale investments HK\$'000	Total HK\$'000
<b>30 June 2014</b>					
Equity securities:					
Listed in Hong Kong		10,405	-	246,355	256,760
Listed overseas		-	-	778	778
		10,405	-	247,133	257,538
Unlisted	(a)	-	-	340,063	340,063
		10,405	-	587,196	597,601
Debt securities:					
Structured products	(b)	-	41,653	-	41,653
Other debt securities					
– Listed	(c)	-	-	1,164	1,164
		-	41,653	1,164	42,817
Investment funds:	(d)	-	-	64,855	64,855
Total:					
Listed in Hong Kong		10,405	-	246,355	256,760
Listed overseas		-	-	1,942	1,942
Unlisted		-	41,653	404,918	446,571
		10,405	41,653	653,215	705,273
As analysed by issuing entities:					
Banks and other financial institutions		7,790	41,653	66,019	115,462
Corporate entities		2,615	-	587,196	589,811
		10,405	41,653	653,215	705,273
Market value of listed securities:					
Listed in Hong Kong		10,405	-	246,355	256,760
Listed overseas		-	-	1,942	1,942
		10,405	-	248,297	258,702
Analysed as:					
Non-current assets					663,383
Current assets					41,890
					705,273

## 12. INVESTMENTS IN SECURITIES (continued)

	Notes	Financial assets at FVTPL Held for trading HK\$'000	Designated at fair value HK\$'000	Available- for-sale investments HK\$'000	Total HK\$'000
<b>31 December 2013</b>					
Equity securities:					
Listed in Hong Kong		11,042	–	–	11,042
Listed overseas		–	–	473	473
		11,042	–	473	11,515
Unlisted	(a)	–	–	293,765	293,765
		11,042	–	294,238	305,280
Debt securities:					
Structured products	(b)	–	27,215	–	27,215
Other debt securities					
– Listed	(c)	–	–	1,164	1,164
		–	27,215	1,164	28,379
Investment funds	(d)	–	–	110,886	110,886
Total:					
Listed in Hong Kong		11,042	–	–	11,042
Listed overseas		–	–	1,637	1,637
Unlisted		–	27,215	404,651	431,866
		11,042	27,215	406,288	444,545
As analysed by issuing entities:					
Banks and other financial institutions		7,780	27,215	112,050	147,045
Corporate entities		3,262	–	294,238	297,500
		11,042	27,215	406,288	444,545
Market value of listed securities:					
Listed in Hong Kong		11,042	–	–	11,042
Listed overseas		–	–	1,637	1,637
		11,042	–	1,637	12,679
Analysed as:					
Non-current assets					424,541
Current assets					20,004
					444,545

## 12. INVESTMENTS IN SECURITIES *(continued)*

Notes:

- (a) As at 30 June 2014, unlisted equity securities classified as available-for-sale investments held by the Group amounting to approximately HK\$340,063,000 (31 December 2013: HK\$293,765,000) are carried at fair value at the end of the reporting period. No impairment has been recognised.
- (b) As at 30 June 2014, structured deposits of HK\$41,653,000 (31 December 2013: HK\$27,215,000) held by the Group have maturity dates ranging from 2014 to 2015 (31 December 2013: 2013 to 2015) and carry interest rates at coupon rate, London Interbank Offered Rate ("LIBOR") or LIBOR plus a variable margin. Such structured deposits are designated as financial assets at FVTPL.
- (c) As at 30 June 2014 and 31 December 2013, debt securities listed outside Hong Kong comprise a debenture with fixed interest rate of 9.5% per annum and maturity date on 24 December 2014.
- (d) The investment funds invest in unlisted equity securities issued by private entities incorporated in Asia Pacific region. They are measured at fair value at the end of the reporting period. Investment funds with less than 12 months operation period before voluntary liquidation from the end of reporting period are classified as current portion in the condensed consolidated statement of financial position. The Group has committed to contribute a pre-determined capital amount in these investment funds and the realised gains or losses of these funds are recognised in profit or loss. During the six months ended 30 June 2014, the investment funds returned capital of HK\$45,188,000 (six months ended 30 June 2013: HK\$2,271,000) to the Group and they may call upon further capital contribution if required up to the pre-determined capital amount.

### 13. TRADE AND OTHER RECEIVABLES

	<b>30 June 2014 HK\$'000</b>	31 December 2013 HK\$'000
Trade receivables	<b>15,941</b>	15,373
Deposits	<b>49,297</b>	18,965
Other receivables and prepayments	<b>86,084</b>	79,591
	<b>151,322</b>	113,929

The Group's credit policy allows its trade customers an average credit period of 30–90 days, other than customers from sales of properties which the proceeds are settled in accordance with the sale and purchase agreement, normally within 60 days from the date of agreement.

The following is an analysis of trade receivables by age, presented based on the invoice date:

	<b>30 June 2014 HK\$'000</b>	31 December 2013 HK\$'000
Within 30 days	<b>6,507</b>	5,451
Between 31 days to 90 days	<b>6,269</b>	6,352
Over 90 days	<b>3,165</b>	3,570
	<b>15,941</b>	15,373



## 14. TRADE AND OTHER PAYABLES

	<b>30 June 2014 HK\$'000</b>	31 December 2013 HK\$'000
Trade payables	<b>7,337</b>	4,601
Construction costs payable	<b>68,187</b>	58,181
Deposits received and receipts in advance in respect of rental of investment properties	<b>138,367</b>	98,147
Receipts in advance on properties sold	<b>100,514</b>	–
Other payables	<b>33,656</b>	51,736
	<b>348,061</b>	212,665

The trade payables of HK\$7,337,000 (31 December 2013: HK\$4,601,000) at the end of reporting period are aged within 30 days (31 December 2013: 30 days).

## 15. BORROWINGS

	<b>30 June 2014 HK\$'000</b>	31 December 2013 HK\$'000
Amounts due within one year		
– Bank borrowings	<b>545,300</b>	1,811,715
– Amounts due to joint ventures	<b>1,627</b>	1,886
– Amounts due to non-controlling interests shareholders	<b>20,191</b>	20,173
	<b>567,118</b>	1,833,774
Amounts due after one year		
– Bank borrowings	<b>1,960,125</b>	1,948,402
	<b>2,527,243</b>	3,782,176

## 15. BORROWINGS (continued)

During the current period, the Group obtained bank loans of approximately HK\$457,033,000 (31 December 2013: HK\$1,304,243,000) and repaid bank loans of approximately HK\$1,751,703,000 (31 December 2013: HK\$1,250,581,000). As at 30 June 2014, all of the bank loans are variable-rate borrowings which carry interest at Hong Kong Interbank Offered Rate or prevailing interest rates offered by the People's Bank of China, plus a margin. The effective interest rates range from 2.05% to 7.38% (31 December 2013: 1.87% to 6.60%) per annum and are repayable in instalments over a period of 1 to 5 years. The proceeds were used for general working capital purposes.

## 16. CAPITAL COMMITMENTS

	THE GROUP					
	Continuing operations		Discontinued operations		Total	
	30 June 2014 HK\$'000	31 December 2013 HK\$'000	30 June 2014 HK\$'000	31 December 2013 HK\$'000	30 June 2014 HK\$'000	31 December 2013 HK\$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:						
– Property, plant and equipment	-	-	-	7,049	-	7,049
– Contribution to the capital of investment funds	82,870	83,290	-	-	82,870	83,290

## 17. RELATED PARTY DISCLOSURES

### (a) Related party transactions

During the period, except for the transfer of property from CHB Group as stated in note 7, the Group had no other material significant transactions with related parties.

### (b) Related party balances

At the end of the reporting period, the Group had the following material outstanding balances with related parties:

	<b>30 June 2014 HK\$'000</b>	31 December 2013 HK\$'000
Loan to associates	-	11,503
Loan to key management personnel and close family members	-	507,899
Bank deposit from associates	-	110,166
Bank deposit from key management personnel and close family members	-	786,463

### (c) Compensation of key management personnel

The emoluments of key management personnel of the Group during the period were as follows:

	<b>Six months ended 30 June</b>	
	<b>2014 HK\$'000</b>	2013 HK\$'000
Short-term benefits	<b>19,031</b>	50,063
Post-employment benefits	<b>947</b>	3,182
	<b>19,978</b>	53,245

The emoluments of directors and key executives are determined by the remuneration committee having regard to the performance of individuals and market trends.

# Deloitte.

## 德勤

### **REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

#### **TO THE BOARD OF DIRECTORS OF LIU CHONG HING INVESTMENT LIMITED**

*(incorporated in Hong Kong with limited liability)*

### **INTRODUCTION**

We have reviewed the condensed consolidated financial statements of Liu Chong Hing Investment Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 4 to 34, which comprise the condensed consolidated statement of financial position as of 30 June 2014 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other 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 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements 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 these condensed consolidated financial statements consists of making enquiries, 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

### **Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

8 August 2014

## **INTERIM DIVIDEND**

The Board of Directors has resolved to declare an interim cash dividend for 2014 of HK\$0.15 per share (2013: HK\$0.10 per share), payable on 24 September 2014 to the Company's shareholders registered on 18 September 2014.

## **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members will be closed from Tuesday, 16 September 2014 to Thursday, 18 September 2014, 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 for registration with the Company's Share 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 Monday, 15 September 2014.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

For the six months ended 30 June 2014, the consolidated profits of the Company and its subsidiaries (the "Group") amounted to approximately HK\$3,193.4 million, of which profits from discontinued operations amounted to approximately HK\$2,983.6 million while profits from continuing operations amounted to approximately HK\$209.8 million (basic earnings per share of HK\$0.54) comparing to the year of 2013 of approximately HK\$110.9 million (basic earnings per share of HK\$0.29), representing an increase of approximately 89.2%.

## **CONTINUING OPERATIONS**

Revenue mainly referred to the revenues generated from property investment, property development, property management, treasury investment, trading and manufacturing, and hotel operation.

Other income referred to various miscellaneous incomes other than the main revenue.

Other gains and losses mainly comprised of gain on initial recognition of available-for-sale investments, gains on disposal of available-for-sale investments, gains on change in fair value on investment properties, net exchange losses and losses on changes in fair value of financial instruments at FVTPL.

## **DISCONTINUED OPERATIONS**

Discontinued operations represented the operating results of CHB Group up to the date of disposal. It included the operating profit of HK\$92.5 million from 1 January 2014 to 14 February 2014 and the disposal gain of HK\$2,891.1 million arising from the disposal of CHB shares.

## **MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)*

### **DISPOSAL OF CHONG HING BANK SHARES**

On 25 October 2013, Yuexiu Financial Holdings Limited (the “Offeror”) announced to make a voluntary conditional cash Partial Offer (the meaning ascribed thereto in the Company’s circular to shareholders dated 4 December 2013) to acquire a maximum of 326,250,000 CHB shares (representing 75% of the CHB shares in issue as at the date of the announcement) from qualifying CHB shareholders at an offer price of HK\$35.69 per CHB share.

The Offeror also announced that CHB entered into the property agreement with the Company, the controlling shareholder of CHB, for the property transfer and the lease. Completion of the property transfer is conditional upon the receipt by Liu Chong Hing Estate Company, Limited (“LCH Estate”) of payment in full of the consideration for the LCH Estate irrevocable undertaking shares taken up by the Offeror in accordance with the terms of the Partial Offer.

Upon the Partial Offer becoming unconditional, each shareholder of CHB:

1. will receive a payment of HK\$35.69 in cash for every share of CHB in respect of which that shareholder of CHB validly accepts the Partial Offer and which is taken up by the Offeror under the Partial Offer;
2. will receive a special interim dividend of HK\$4.5195 in cash for every share of CHB which that shareholder of CHB holds as at the record date.

The Partial Offer was completed on 14 February 2014, the Group had disposed a total of 167,951,210 CHB shares in returning for net total cash proceeds of approximately HK\$5,994.2 million and making gains on disposal of CHB shares of approximately HK\$2,891.1 million. The Group continued to hold 50,408,418 CHB shares which representing 11.59% of CHB issued share capital.

Due to the undertaking made to The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) to procure the Group to reduce the remaining CHB shares for the purpose of maintaining the minimum public float of CHB shares, the Company declared the distribution of CHB shares to be satisfied by way of a distribution in specie. For such, the Group will distribute one CHB share for every whole multiples of 10 shares of the Company, a total of 37,858,344 CHB shares would be distributed to the shareholders of the Company. The distribution was made by the end of April 2014. After the distribution, the Group continued to hold 12,550,074 CHB shares, it represents 2.89% shares interests in CHB.

## **MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)*

### **DISPOSAL OF CHONG HING BANK SHARES** *(continued)*

On 8 May 2014, a total of 4,847,871 CHB shares were transferred to LCH Estate at nil consideration pursuant to the Deed of Mutual Release signed between The Bank of Tokyo Mitsubishi UFJ, Ltd and LCH Estate. All such documents were properly completed on 9 May 2014. After the share transfer, and at the date of the board meeting, the Group holds 17,397,945 CHB shares, representing 4% of the issued share capital of the CHB.

### **CHONG HING BANK CENTRE**

Immediately after the completion of disposal of CHB shares, the Company had acquired the Chong Hing Bank Centre, CHB's previous headquarter located at 24 Des Voeux Road, Central, at total cash consideration of HK\$2,230 million. All the net sale proceeds received by CHB were paid out by way of special dividend to those existing shareholders on the record date. As a result, the Group had received a special dividend of approximately HK\$986.8 million.

According to the tenancy agreement entered into between the Company and CHB, having retained several floors for the Company's own use, the building was leased to CHB for five years with option for another five years at annual rental (excluding management fees, government rent and rates, and services charges) of approximately HK\$67.9 million. Such arrangement could definitely strengthen the Group's investment property portfolio and recurring rental revenue in the coming years.

### **DISTRIBUTION IN SPECIE**

Subsequent to the disposal of CHB shares, the Company has distributed a total of 37,858,344 CHB shares to its shareholders on 30 April 2014. Based on the closing price, HK\$18.60, the date of resumption of trading of CHB on 7 May 2014, the total amount of distribution in specie was amounted to HK\$704 million.



## **MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)*

### **PROPERTY INVESTMENT**

#### **Overall Rental Revenue**

For the period ended 30 June 2014, the Group recorded gross rental revenue of HK\$166.7 million, representing 26% increase comparing to that of 2013. Major changes were due to increase of rental revenue of HK\$24.7 million from Chong Hing Bank Centre and HK\$8.2 million from Shanghai Chong Hing Finance Center.

#### **Overall Occupancies**

The Group's overall occupancy from their major investment properties continued to maintain at 91% as at 30 June 2014. If adding the leasing area of retail shops of The Grand Riviera in Foshan, the overall occupancies was lowered to 84%.

### **HONG KONG PROPERTIES**

#### **Chong Hing Square**

Chong Hing Square, located at 601 Nathan Road Mongkok, is a 20-storey popular ginza-type retail/commercial development offers over 182,000 square feet of retail and recreational space. For the period ended 30 June 2014, Chong Hing Square was well performed. It received revenue at approximately HK\$51.5 million with occupancy of 88%.

#### **Chong Hing Bank Centre**

Located at 24 Des Voeux Road Central, Chong Hing Bank Centre is a 26-storey grade A office building. Having retained several floors for the Company use, the office building was leased to Chong Hing Bank Limited for 5 years with monthly rental of HK\$5.66 million starting from 19 February 2014. For the period ended 30 June 2014, a total of approximately HK\$24.6 million rental revenue was recorded from this building.

#### **Chong Yip Centre**

Chong Yip Centre is located at 402-404 Des Voeux Road West, it provides over 54,000 square feet of retail and commercial space. For the period ended 30 June 2014, this retail and commercial shopping centre generated rental revenue of HK\$9.6 million with 81% occupancy.

#### **Fairview Court**

Fairview Court is located at 94 Repulse Bay Road. It provides 5 units, each of areas over 4,100 square feet, luxury apartment on a low-rise building. For the period ended 30 June 2014, Fairview Court recorded rental revenue of HK\$2.8 million. It achieved 60% occupancy as at 30 June 2014.

## **MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)*

### **PRC PROPERTIES**

#### **Chong Hing Finance Center, Shanghai**

Chong Hing Finance Center, Shanghai is located at 288, Nanjing Road West, Huang Pu District, Shanghai. This 36-storey grade A office/commercial building, completed in 2008, provides over 516,000 square feet of office and commercial spaces and 198 carparking spaces for lease. For the period ended 30 June 2014, this building generated rental revenue of HK\$75 million, representing an increase of 12%. Office tower was 91% let and commercial and retail areas were fully let as at the period end.

### **PROPERTY DEVELOPMENT**

#### **Hong Kong**

##### *Western Harbour Centre*

Western Harbour Centre, a 28-storey grade A office building, located at 181–183 Connaught Road West, Hong Kong, close proximity to the Western Harbour Tunnel, provides over 140,000 square feet office spaces for lease. The management planned to renovate the Western Harbour Centre into a lifestyle hotel. Application to Town Planning Board for changing the existing usage into hotel use had been approved and all architecture and interior design were under preparation.

##### *Tai Po, New Territories*

The group had acquired a 262,000 square feet plots of land in Tai Po district, New Territories. The management had initiated the studies for rezoning and intended to seek eventual conversion of this land for future development.

#### **PRC**

##### *The Grand Riviera, Foshan*

In 2007, the Group acquired a plot of land with site area of over 260,000 square metres in Luocun, Foshan through government land auction at a cash consideration of RMB476 million. This is a comprehensive development and will be developed by phases. The first phase development constructed 12 blocks of 6–14 storey residential flats above the ground. A total of 847 residential flat units with sizes ranging from 55 to 400 square metres are provided. It also provides retail and commercial areas of approximately 8,600 square metres and a standalone clubhouse of approximately 6,800 square metres, if including other recreational facilities areas and 1,246 car parking spaces mainly built at the basement level, total construction areas are over 181,000 square metres.

## **MANAGEMENT DISCUSSION AND ANALYSIS** *(continued)*

### **PROPERTY DEVELOPMENT** *(continued)*

#### *PRC (continued)*

##### *The Grand Riviera, Foshan (continued)*

The first phase development was completed in 2011 and the construction completion certificate was also obtained in December 2011. As at 30 June 2014, a total of 430 residential flat units (representing 51% of the total units) were successfully sold out, fetching total cash proceeds of approximately RMB328 million. Also, 175 car parking units (representing 16% of the total units) were successfully sold out fetching total cash proceeds of approximately RMB22 million.

##### *Grand Jardin, Foshan*

The Group continued to commence the construction of phase II Grand Jardin since June 2013. In the phase II development, it constructed 12 blocks of 14-storey residential flats above the ground, a total of 1,542 residential flat units with developable areas over 145,000 square metres. If including the retail and commercial areas of approximately 2,100 square metres, other amenities areas of approximately 3,500 square metres and 1,196 car parking spaces mainly built at the basement levels, the total developable areas of phase II was over 191,000 square metres. For the size of residential units, it only provided three typical sizes with areas of 60, 90 and 120 square metres.

The Group started the pre-sale of phase II Grand Jardin in January 2014. Block 13 to block 17, Block 20 and 22 with areas of approximately 66,392 square metres, providing over 716 residential flats units (mainly 90 square metres for each unit) were put up for sale in the market. Due to the popular flat-size and quality of the property, the sale response was satisfactory. As at the board meeting on 8 August 2014, a total of 474 residential flat units, representing 64% of total flat units for pre-sale, were successfully sold in returning sale proceeds of approximately RMB268 million.

### **BUDGET HOTEL PROJECT**

Since 2008, the Group had started to operate budget hotel business. In 2013, the Group continued to operate four budget hotels, two in Shanghai, one in Beijing and one in Guangzhou. All of these budget hotels are managed by and under the brand name of Hanting. For the period ended, total revenue decreased by 3% from HK\$24.6 million in 2013 to HK\$23.8 million in 2014. Occupancies and average room rates maintained at a steady level.

### **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 2014, 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

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)		
Dr. Liu Lit Mo, Chairman	795,600	–	138,326,710 (Notes 1 & 2)	139,122,310	36.75%
Mr. Liu Lit Chi Managing Director and Chief Executive Officer	141,668	–	178,081,332 (Notes 1 & 3)	178,223,000	47.08%
Mr. Liu Kam Fai, Winston Deputy Managing Director	6,230,000	–	–	6,230,000	1.65%
Dr. Liu Lit Chung	–	–	132,326,710 (Note 1)	132,326,710	34.95%

## **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)*

**The Company – Liu Chong Hing Investment Limited** *(continued)*

Note 1: 132,326,710 shares in the Company are beneficially held by Liu's Holdings Limited, of which 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 45,754,622 shares in the Company, and thus is included in the corporate interests of Mr. Liu Lit Chi.

### **(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 2014, 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 2014, 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	132,326,710 (Note 1)	34.95%
Alba Holdings Limited	Beneficial owner	45,754,622 (Note 2)	12.09%

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, of which Dr. Liu Lit Mo, Mr. Liu Lit Chi and Dr. Liu Lit Chung are amongst its shareholders. 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 2014 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 CORPORATE GOVERNANCE CODE**

During the period under review, the Company had substantially complied with the provisions of the Corporate Governance Code (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 followings:

### **CHAIRMAN AND MANAGING DIRECTOR: CLEAR DIVISION OF RESPONSIBILITIES**

Code Provision A.2.1 requires that the role of Chairman and Chief executive officer should be separate and should not be performed by the same individual. On 26 February 2014, the board of directors of the Company announced that Dr. Liu Lit Mo, ceased to be the Managing Director of the Company with effect on that date. Dr. Liu continued to be the Chairman of the Board and Mr. Liu Lit Chi was appointed as Managing Director and Chief Executive Officer of the Company. The clear division of responsibilities under the code provision was then complied.

### **APPOINTMENTS, RE-ELECTION AND REMOVAL: ROTATION AT LEAST ONCE EVERY THREE YEARS**

Code provision A.4.2 stipulates that every director shall be subject to retirement by rotation at least once every three years. Under the existing Company’s articles of association, all directors are subject to retirement by rotation except the Managing Director who shall not be subject to retirement by rotation under Articles 107 of the Companies 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 2013 Annual Report:

### DIRECTORS' UPDATED INFORMATION

**Dr. Liu Lit Mo**, the Chairman of the Company, has resigned as the Managing Director of the Company with effect from 26 February 2014 and had resigned as the Chairman and an Executive Director of Chong Hing Bank Limited with effect from 14 February 2014.

**Mr. Liu Lit Chi**, an Executive Director of the Company, has re-designated as Managing Director and Chief Executive Officer of the Company with effect from 26 February 2014 and had resigned the Deputy Chairman and Managing Director of Chong Hing Bank Limited with effect from 14 February 2014.

**Mr. Liu Chun Ning, Wilfred**, a Non-executive Director of the Company, had resigned as an Executive Director of Chong Hing Bank Limited with effect from 14 February 2014.

**Mr. Liu Kwun Shing, Christopher**, an Executive Director of the Company, had resigned as a Non-executive Director of Chong Hing Bank Limited with effect from 14 February 2014.

**Mr. Cheng Yuk Wo** was appointed an Independent Non-executive Director of the Company with effect from 7 March 2014.

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 2014, 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 2014 have been reviewed by our auditors, Messrs. Deloitte Touche Tohmatsu, 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 and an unqualified review report is issued.

## **PUBLICATION OF RESULTS ON THE WEBSITE**

This results announcement, containing the relevant information required by the Listing Rules, is published on the website of the HKExnews ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.lchi.com.hk](http://www.lchi.com.hk)). The Company’s interim report for 2014 will be dispatched to the shareholders of the Company and available on the above websites on or about 26 August 2014.

## **BOARD OF DIRECTORS**

At the date of this interim report, the Board comprises the following Executive Directors: Dr. Liu Lit Mo (Chairman), Mr. Liu Lit Chi (Managing Director and Chief Executive Officer), Mr. Liu Kam Fai, Winston (Deputy Managing Director); Mr. Liu Kwun Shing, Christopher (also alternate director to Dr. Liu Lit Chung) and Mr. Lee Wai Hung; the following Non-executive Directors: Dr. Liu Lit Chung, Mr. Andrew Liu, Mr. Liu Chun Ning, Wilfred and Mr. Kho Eng Tjoan, Christopher and the following Independent Non-executive Directors: Dr. Cheng Mo Chi, Moses, Mr. Tong Tsin Ka, Mr. Au Kam Yuen, Arthur, Dr. Ma Hung Ming, John and Mr. Cheng Yuk Wo.

By Order of the Board

**Dr. Liu Lit Mo**

*Chairman*

Hong Kong, 8 August 2014