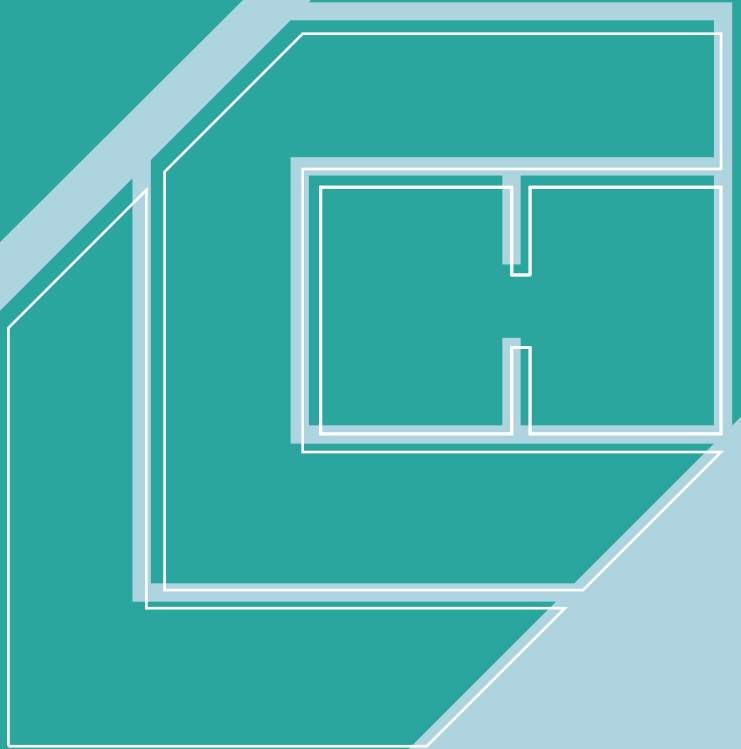




廖創興企業有限公司

Liu Chong Hing Investment Limited



STOCK CODE : 194

2015
INTERIM REPORT

CORPORATE INFORMATION

HONORARY CHAIRMAN

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

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

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

Mr. Cheng Yuk Wo

Msc (Econ), BA (Hons), CA, FCA, FCPA, CPA (Practising)

COMPANY SECRETARY

Mr. Lee Wai Hung

AUDIT COMMITTEE

Mr. Tong Tsin Ka (*Chairman*)

Dr. Cheng Mo Chi, Moses

Mr. Au Kam Yuen, Arthur

Mr. Cheng Yuk Wo

Mr. Lee Wai Hung (*Secretary*)

NOMINATION COMMITTEE

Dr. Liu Lit Mo (*Chairman*)

Mr. Liu Lit Chi

Mr. Tong Tsin Ka

Mr. Kho Eng Tjoan, Christopher

Mr. Lee Wai Hung (*Secretary*)

REMUNERATION COMMITTEE

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

Mr. Kho Eng Tjoan, Christopher

Dr. Ma Hung Ming, John

Mr. Cheng Yuk Wo

Ms. Cavior Liu (*Secretary*)

CORPORATE GOVERNANCE COMMITTEE

Dr. Liu Lit Mo (*Chairman*)

Mr. Au Kam Yuen, Arthur

Dr. Ma Hung Ming, John

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

Australia and New Zealand Banking Group Limited
China CITIC Bank International Limited
Chong Hing Bank 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
OCBC Wing Hang Bank Limited
Standard Chartered Bank (Hong Kong) Limited
The Bank of Tokyo-Mitsubishi UFJ, Limited
The Hong Kong and Shanghai Banking
Corporation Limited
United Overseas Bank Limited
Wing Lung Bank Limited

REGISTERED OFFICE

25th Floor, Chong Hing Bank Centre
24 Des Voeux Road Central
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Tel: (852) 2983 7777
Fax: (852) 2983 7725

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SHANGHAI OFFICE

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FOSHAN OFFICE

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1 Guilong Road
Luocun Social Management Office,
Shishan Town
Nanhai District, Foshan
Guangdong Province, P.R.C.
Tel: (86757) 6386 0888
Fax: (86757) 6386 2218

SHAREHOLDERS' INFORMATION

FINANCIAL CALENDAR

As at 5 August 2015

Annual General Meeting	:	Held on 29 April 2015
Interim Results for six-month ended 30 June 2015	:	Announced on 5 August 2015
Dividends		
Interim cash dividend	:	HK\$0.16 per share
Payable on	:	23 September 2015
Ex-dividend date of interim dividend	:	11 September 2015
Latest time to lodge transfer forms	:	4:30 p.m. on 14 September 2015
Closure of Register of Members	:	From 15 September 2015 to 17 September 2015 (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) 2983 7779 Fax: (852) 2983 7723 Website: http://www.lchi.com.hk

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2015

		Six months ended 30 June	
	NOTES	2015	2014
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Continuing operations			
Revenue		353,435	267,958
Direct costs		(71,855)	(63,289)
		281,580	204,669
Other income		2,633	5,894
Administrative and operating expenses		(85,768)	(85,737)
Other gains and losses	5	67,400	144,477
Finance costs		(40,873)	(43,023)
Share of results of joint ventures		(18)	(92)
Profit before tax		224,954	226,188
Income tax expense	6	(13,738)	(16,438)
Profit for the period from continuing operations		211,216	209,750
Discontinued operations			
Profit for the period from discontinued operations	7	-	2,983,607
Profit for the period	8	211,216	3,193,357
Profit for the period attributable to owners of the Company			
– from continuing operations		205,070	205,403
– from discontinued operations		-	1,963,335
		205,070	2,168,738
Profit for the period attributable to non-controlling interests			
– from continuing operations		6,146	4,347
– from discontinued operations		-	1,020,272
		6,146	1,024,619
		211,216	3,193,357
Basic earnings per share			
– from continuing and discontinued operations	9	HK\$0.54	HK\$5.73
– from continuing operations	9	HK\$0.54	HK\$0.54

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit for the period	211,216	3,193,357
Other comprehensive income (expense)		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation	3,457	(52,794)
Fair value gains (losses) on available-for-sale investments	34,889	(71,262)
Amount reclassified to profit or loss upon disposal of available-for-sale investments	-	(40,958)
Reclassification adjustments for amounts transferred to profit or loss upon disposal of subsidiaries	-	(90,376)
	38,346	(255,390)
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Gain on revaluation upon transfer from property, plant and equipment to investment properties	-	1,469,601
Other comprehensive income for the period (net of tax)	38,346	1,214,211
Total comprehensive income for the period	249,562	4,407,568
Total comprehensive income attributable to:		
Owners of the Company	243,160	3,416,101
Non-controlling interests	6,402	991,467
	249,562	4,407,568

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	NOTES	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
Non-current assets			
Investment properties	11	7,821,408	7,776,590
Property, plant and equipment	11	100,052	102,401
Properties under development		719,032	714,892
Investments in joint ventures		2,566	2,584
Investments in securities	12	870,559	825,978
Advances to investee companies		4,891	4,891
Fixed bank deposit with more than three months to maturity when raised		–	380,276
Deferred tax assets		7,235	7,235
		9,525,743	9,814,847
Current assets			
Properties under development for sale		1,248,044	1,055,855
Properties held for sale		553,528	566,908
Inventories		18,992	21,995
Trade and other receivables	13	214,717	143,599
Investments in securities	12	240,255	359,055
Fixed bank deposits with more than three months to maturity when raised		2,643,654	1,553,835
Other bank balances and cash		841,504	1,138,582
		5,760,694	4,839,829
Current liabilities			
Trade and other payables	14	519,553	354,843
Taxation payable		9,678	4,664
Borrowings — due within one year	15	1,316,378	737,483
		1,845,609	1,096,990
Net current assets		3,915,085	3,742,839
Total assets less current liabilities		13,440,828	13,557,686

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2015

	NOTE	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
Non-current liabilities			
Rental deposits from tenants		103,400	105,828
Borrowings — due after one year	15	1,926,377	2,196,764
Deferred tax liabilities		219,359	218,318
		2,249,136	2,520,910
		11,191,692	11,036,776
Equity			
Share capital		381,535	381,535
Reserves		10,776,238	10,627,724
Equity attributable to:			
Owners of the Company		11,157,773	11,009,259
Non-controlling interests		33,919	27,517
Total equity		11,191,692	11,036,776

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Attributable to owners of the Company							Total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Special reserve HK\$'000 (note a)	Property revaluation reserve HK\$'000 (note b)	Investment revaluation reserve HK\$'000	Capital redemption reserve HK\$'000	Exchange reserve HK\$'000	Accumulated profits HK\$'000			
At 1 January 2014	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
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 (expense) for the period	-	-	1,469,601	(162,614)	-	(59,624)	-	1,247,363	(33,152)	1,214,211
Total comprehensive income (expense) 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
Profit for the period	-	-	-	-	-	-	188,197	188,197	4,859	193,056
Exchange differences arising on translation	-	-	-	-	-	40,605	-	40,605	632	41,237
Fair value gains on available-for-sale investments	-	-	-	121,014	-	-	-	121,014	-	121,014
Amount reclassified to profit or loss upon disposal of available-for-sale investments	-	-	-	14,155	-	-	-	14,155	-	14,155
Other comprehensive income for the period	-	-	-	135,169	-	40,605	-	175,774	632	176,406
Total comprehensive income for the period	-	-	-	135,169	-	40,605	188,197	363,971	5,491	369,462
Dividends recognised as distribution (note 10)	-	-	-	-	-	-	(56,788)	(56,788)	-	(56,788)
At 31 December 2014 (audited)	381,535	13,915	2,956,817	217,590	-	569,075	6,870,327	11,009,259	27,517	11,036,776

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	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
Profit for the period	-	-	-	-	-	-	205,070	205,070	6,146	211,216
Exchange differences arising on translation	-	-	-	-	-	3,201	-	3,201	256	3,457
Fair value gains on available-for-sale investments	-	-	-	34,889	-	-	-	34,889	-	34,889
Other comprehensive income for the period	-	-	-	34,889	-	3,201	-	38,090	256	38,346
Total comprehensive income for the period	-	-	-	34,889	-	3,201	205,070	243,160	6,402	249,562
Dividends recognised as distribution (note 10)	-	-	-	-	-	-	(94,646)	(94,646)	-	(94,646)
At 30 June 2015 (unaudited)	381,535	13,915	2,956,817	252,479	-	572,276	6,980,751	11,157,773	33,919	11,191,692

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 2015

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
NET CASH FROM OPERATING ACTIVITIES INCLUDING DISCONTINUED OPERATIONS	227,784	4,937,844
INVESTING ACTIVITIES		
Net cash outflow from losing control of subsidiaries	-	(14,048,928)
Additional investments in available-for-sale investments	(1,936)	(123,261)
Purchase of property, plant and equipment	(1,359)	(567,648)
Proceeds from disposal of property, plant and equipment	-	3,146
Placement of fixed bank deposits with more than three months to maturity when raised	(734,719)	(1,327,516)
Release of fixed bank deposits with more than three months to maturity when raised	25,321	-
Purchase of investment properties	-	(1,671,422)
Proceeds from disposal of investment properties	5,428	-
Repayment from an investee company	-	64,500
Proceeds from redemption of held-to-maturity securities	-	1,087,711
Proceeds from sale and redemption of available-for-sale investments	-	45,438
Interest received on available-for-sale investments and held-to-maturity securities	-	37,018
Dividend received from CHB Group	-	992,617
NET CASH USED IN INVESTING ACTIVITIES	(707,265)	(15,508,345)
FINANCING ACTIVITIES		
New borrowings raised	1,270,000	457,051
Repayments of borrowings	(957,747)	(1,717,370)
Dividend paid	(94,646)	(1,128,179)
Interest paid on borrowings	(40,873)	(49,101)
Interest paid on loan capital	-	(11,673)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	176,734	(2,449,272)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(302,747)	(13,019,773)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	1,138,582	14,322,810
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	5,669	(32,150)
CASH AND CASH EQUIVALENTS AT END OF PERIOD, REPRESENTED BY BANK BALANCES AND CASH	841,504	1,270,887

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange 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 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following 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 HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions

The application of the 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 Hong Kong Financial Reporting Standard 8 *Operating Segments* 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 HK\$'000	Property development HK\$'000	Property management HK\$'000
For the six months ended 30 June 2015			
Segment revenue	191,028	33,021	13,915
Comprising:			
— revenue from customers	191,028	33,021	8,506
— inter-segment transactions (note)	-	-	5,409
Operating expenses	(63,479)	(19,985)	(13,883)
Gains on changes in fair value on financial instruments at fair value through profit or loss ("FVTPL")	-	-	-
Net exchange gains (losses)	(187)	141	(2)
Gains on change in fair value of investment properties	49,100	-	-
Segment profit (loss)	176,462	13,177	30
Finance costs			
Share of results of joint ventures			
Profit before tax from continuing operations			

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

Treasury investment HK\$'000	Trading and manufacturing HK\$'000	Hotel operation HK\$'000	Total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
68,981	29,708	22,191	358,844	(5,409)	353,435
68,981	29,708	22,191			
-	-	-			
(12,670)	(28,052)	(22,330)	(160,399)	5,409	(154,990)
8,297	-	-	8,297	-	8,297
10,051	-	-	10,003	-	10,003
-	-	-	49,100	-	49,100
74,659	1,656	(139)	265,845	-	265,845
					(40,873)
					(18)
					224,954

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 HK\$'000	Property development HK\$'000	Property management HK\$'000
For the six months ended 30 June 2014			
Segment revenue	166,887	12,883	11,929
Comprising:			
– revenue from customers	166,679	12,883	7,506
– inter-segment transactions (note)	208	–	4,423
Operating expenses	(48,270)	(13,245)	(7,829)
Losses on changes in fair value on financial instruments at FVTPL	–	–	–
Net exchange gains (losses)	(171)	124	62
Gains on disposal of available-for-sale investments	–	–	–
Gains on change in fair value of investment properties	44,074	–	–
Gain on initial recognition of available-for-sale investments	–	–	–
Segment profit (loss)	162,520	(238)	4,162

Finance costs

Share of results of joint ventures

Profit before tax from continuing operations

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.

Treasury investment HK\$'000	Trading and manufacturing HK\$'000	Hotel operation HK\$'000	Total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
34,310	22,998	23,860	272,867	(4,909)	267,958
34,032	22,998	23,860			
278	-	-			
(33,781)	(21,779)	(23,739)	(148,643)	5,511	(143,132)
(1,461)	-	-	(1,461)	-	(1,461)
(30,973)	-	(9)	(30,967)	-	(30,967)
48,672	-	-	48,672	-	48,672
-	-	-	44,074	-	44,074
84,159	-	-	84,159	-	84,159
100,926	1,219	112	268,701	602	269,303
					(43,023)
					(92)
					226,188

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 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 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			
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
30 June 2015				
Financial assets at FVTPL				
Non-derivative financial assets held for trading	16,555	-	-	16,555
Financial assets designated as at FVTPL	-	231,259	-	231,259
Available-for-sale financial assets				
Listed equity securities	413,605	-	-	413,605
Unlisted equity securities	-	-	333,837	333,837
Listed debt securities	-	52,610	-	52,610
Investment funds	-	-	62,948	62,948
Total	430,160	283,869	396,785	1,110,814

	Fair value hierarchy			
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
31 December 2014				
Financial assets at FVTPL				
Non-derivative financial assets held for trading	11,972	-	-	11,972
Financial assets designated as at FVTPL	-	346,942	-	346,942
Available-for-sale financial assets				
Listed equity securities	299,582	-	-	299,582
Unlisted equity securities	-	-	402,875	402,875
Listed debt securities	-	50,864	-	50,864
Investment funds	-	-	72,798	72,798
Total	311,554	397,806	475,673	1,185,033

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.

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 debt securities classified as available-for-sale investments 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 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.

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 comprise investment properties held by the investee company and take into account the discount for lack of marketability. The valuation of the properties was principally arrived at using the 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 Company consider that the carrying amounts of the Group's other financial assets recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

Reconciliation of Level 3 fair value measurements of financial assets

	Available-for-sale investments HK\$'000
Balance at 1 January 2015	475,673
Total net losses recognised in other comprehensive income	(80,824)
Purchases	1,936
Balance at 30 June 2015	396,785
	Available-for-sale investments HK\$'000
Balance at 1 January 2014	404,651
Total net gains recognised in other comprehensive income	82,759
Purchases	420
Matured/disposals	(37,724)
Return of capital contribution	(45,188)
Balance at 30 June 2014	404,918

4. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(continued)*

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

Included in other comprehensive income is a loss of HK\$80,824,000 (six months ended 30 June 2014: a gain of HK\$82,759,000) related to available-for-sale investments held at the end of the reporting period.

The majority of the Group's investments are valued based on quoted market information or observable market data. A small percentage, 2.6% (31 December 2014: 3.3%), of total assets of the Group, is based on estimates and recorded as Level 3 investments. Whilst such valuations are 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	
	2015	2014
	HK\$'000	HK\$'000
Continuing operations		
Gain on initial recognition of available-for-sale investments	–	84,159
Gains on disposal of available-for-sale investments	–	48,672
Gains on change in fair value of investment properties	49,100	44,074
Net exchange gains (losses)	10,003	(30,967)
Gains (losses) on changes in fair value of financial instruments at FVTPL	8,297	(1,461)
	67,400	144,477

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Continuing operations		
Current tax		
Hong Kong	8,864	7,779
Overseas Tax	3,833	4,731
Deferred taxation	1,041	3,928
Income tax expense	13,738	16,438

Hong Kong Profits Tax is calculated at 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 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, representing the gain on disposal of the property to the Group, was declared by CHB Group. Upon the completion of the disposal, the Group's remaining shareholding in CHB shares was remeasured to fair value and classified as available-for-sale investments. Subsequent to the disposal of CHB shares and the special dividend by way of distribution in specie, as set out in note 10, the Group holds 17,397,945 CHB shares, representing 4.0% of the issued share capital of CHB.

The profit from the discontinued operations was as follows:

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

The results of the financial services operations were as follows:

	Six months ended 30 June 2014 HK\$'000
Interest income	248,502
Interest expense	(93,968)
Net interest income	154,534
Fee and commission income	36,051
Fee and commission expenses	(9,716)
Net fee and commission income	26,335
Net losses on fair value hedge	(31,600)
Other operating income	58,208
Operating expenses	(92,007)
	<u>115,470</u>
Impairment allowances on loans and advances	(5,352)
Net gains on disposal of property and equipment	749
	<u>110,867</u>
Profit before tax	110,867
Income tax expense	(18,416)
Profit for the period	<u>92,451</u>

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)
Net assets disposed of	7,790,494
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
Gain on disposal of CHB Group	2,891,156

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
Transaction costs incurred in connection with the disposal of CHB Group	(234,089)
Cash and cash equivalents disposed of	(19,809,017)
	(14,048,928)
Cash flows from CHB Group:	
	Six months ended 30 June 2014 HK\$'000
Net cash flows from operating activities	4,927,708
Net cash flows from investing activities	1,001,262
Net cash flows used in financing activities	(11,673)
	5,917,297

8. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Profit for the period from continuing operations has been arrived at after charging:		
Staff costs including directors' emoluments	40,303	33,830
Auditor's remuneration	510	763
Depreciation of property, plant and equipment	3,697	5,607
Operating lease rentals in respect of land and buildings	9,241	9,012

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\$205,070,000 (six months ended 30 June 2014: HK\$2,168,738,000) and on 378,583,440 (30 June 2014: 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\$205,070,000 (six months ended 30 June 2014: HK\$205,403,000) and on 378,583,440 (30 June 2014: 378,583,440) ordinary shares in issue during the period.

From discontinued operations

For the six months ended 30 June 2014, the basic earnings per share attributable to the owners of the Company was HK\$5.19 which was based on the profit for the period of HK\$1,963,335,000 and on 378,583,440 ordinary shares in issue.

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	
	2015	2014
	HK\$'000	HK\$'000
Dividends recognised as distribution during the period:		
Final dividend declared and paid for 2014 — HK\$0.25 per share (2014: declared and paid for 2013 HK\$0.18 per share)	94,646	68,145
Special cash dividend declared and paid due to the completion of disposal of CHB Group — HK\$2.80 per share	—	1,060,034
Special dividend by way of distribution in specie (note)	—	704,165
	94,646	1,832,344
Dividend declared in respect of current period:		
Interim dividend declared for 2015 — HK\$0.16 per share (2014: HK\$0.15 per share)	60,573	56,788

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 six months ended 30 June 2014.

On 5 August 2015, the Board of Directors has approved an interim cash dividend of HK\$0.16 per share (2014: HK\$0.15 per share), which will be paid to the Company's shareholders whose names appear on the Register of Members on 17 September 2015.

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

During the six months ended 30 June 2014, 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, following the disposal of CHB shares as set out in note 7. 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 that period.

On 30 June 2015 and 31 December 2014, independent valuations were undertaken by Vigers Appraisal & Consulting Ltd., 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\$49,100,000 (six months ended 30 June 2014: HK\$44,074,000) 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
30 June 2015					
Equity securities:					
Listed in Hong Kong		16,555	-	412,332	428,887
Listed overseas		-	-	1,273	1,273
		16,555	-	413,605	430,160
Unlisted	(a)	-	-	333,837	333,837
		16,555	-	747,442	763,997
Debt securities:					
Structured products	(b)	-	231,259	-	231,259
Other debt securities					
- Listed in Hong Kong	(c)	-	-	52,610	52,610
		-	231,259	52,610	283,869
Investment funds:	(d)	-	-	62,948	62,948
Total:					
Listed in Hong Kong		16,555	-	464,942	481,497
Listed overseas		-	-	1,273	1,273
Unlisted		-	231,259	396,785	628,044
		16,555	231,259	863,000	1,110,814
Market value of listed securities:					
Listed in Hong Kong		16,555	-	464,942	481,497
Listed overseas		-	-	1,273	1,273
		16,555	-	466,215	482,770
Analysed as:					
Non-current assets					870,559
Current assets					240,255
					1,110,814

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
31 December 2014					
Equity securities:					
Listed in Hong Kong		11,972	–	298,549	310,521
Listed overseas		–	–	1,033	1,033
Unlisted	(a)	11,972	–	299,582	311,554
		–	–	402,875	402,875
		11,972	–	702,457	714,429
Debt securities:					
Structured products	(b)	–	346,942	–	346,942
Other debt securities					
– Listed in Hong Kong	(c)	–	–	50,864	50,864
		–	346,942	50,864	397,806
Investment funds	(d)	–	–	72,798	72,798
Total:					
Listed in Hong Kong		11,972	–	349,413	361,385
Listed overseas		–	–	1,033	1,033
Unlisted		–	346,942	475,673	822,615
		11,972	346,942	826,119	1,185,033
Market value of listed securities:					
Listed in Hong Kong		11,972	–	349,413	361,385
Listed overseas		–	–	1,033	1,033
		11,972	–	350,446	362,418
Analysed as:					
Non-current assets					825,978
Current assets					359,055
					1,185,033

12. INVESTMENTS IN SECURITIES *(continued)*

Notes:

- (a) As at 30 June 2015, unlisted equity securities classified as available-for-sale held by the Group amounting to approximately HK\$333,837,000 (31 December 2014: HK\$402,875,000) are carried at fair value at the end of the reporting period.
- (b) As at 30 June 2015, structured deposits of HK\$231,259,000 (31 December 2014: HK\$346,942,000) held by the Group have maturity date from 2015 to 2019 (31 December 2014: in 2015) and carry interest rates at coupon rate, London Interbank Bank Offered Rate ("LIBOR") or LIBOR plus a variable margin. Such structured deposits are designated as financial assets at FVTPL.
- (c) As at 30 June 2015 and 31 December 2014, debt securities listed in Hong Kong comprised a perpetual capital securities issued in September 2014 with a fixed distribution rate of 6.5% per annum payable semi-annually for the first five years and reset to the prevailing 5-year U.S. Treasury plus the initial margin every five years thereafter.
- (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 the profit or loss. During the six months ended 30 June 2015, the investment funds returned capital of Nil (six months ended 30 June 2014: HK\$45,188,000) to the Group and they may call upon further capital contribution if required up to the pre-determined capital amount (note 16).

13. TRADE AND OTHER RECEIVABLES

	30 June 2015 HK\$'000	31 December 2014 HK\$'000
Trade receivables	16,624	16,527
Deposits, prepayments and other receivables	198,093	127,072
	214,717	143,599

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

The aged analysis of trade receivables presented based on the invoice date at the end of the reporting period is as follows:

	30 June 2015 HK\$'000	31 December 2014 HK\$'000
Within 30 days	4,415	6,086
Between 31 days to 90 days	9,008	7,557
Over 90 days	3,201	2,884
	16,624	16,527

14. TRADE AND OTHER PAYABLES

	30 June 2015 HK\$'000	31 December 2014 HK\$'000
Trade payables	9,076	10,977
Construction costs payables	49,973	45,643
Deposits received and receipts in advance in respect of rental of investment properties	39,702	37,270
Receipts in advance on properties sold	391,283	225,309
Other payables	29,519	35,644
	519,553	354,843

The trade payables of HK\$9,076,000 (31 December 2014: HK\$10,977,000) at the end of reporting period are aged within 30 days (31 December 2014: 30 days).

15. BORROWINGS

	30 June 2015 HK\$'000	31 December 2014 HK\$'000
Amounts due within one year		
— Bank borrowings	1,294,695	715,718
— Amounts due to joint ventures	1,398	1,498
— Amounts due to non-controlling interests shareholders	20,285	20,267
	1,316,378	737,483
Amounts due after one year		
— Bank borrowings	1,926,377	2,196,764
	3,242,755	2,934,247

During the current period, the Group obtained bank loans of approximately HK\$1,270,000,000 (31 December 2014: HK\$1,216,263,000) and repaid bank loans of approximately HK\$957,747,000 (31 December 2014: HK\$2,064,676,000). As at 30 June 2015, 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 1.44% to 6.60% (31 December 2014: 1.38% to 7.38%) per annum. The proceeds were used for general working capital purposes.

16. CAPITAL COMMITMENTS

	30 June 2015 HK\$'000	31 December 2014 HK\$'000
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
— Contribution to the capital of investment funds	69,835	69,835

17. RELATED PARTY DISCLOSURES

(a) Related party transactions

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) Compensation of key management personnel

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

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
Short-term benefits	23,075	19,031
Post-employment benefits	1,227	947
	24,302	19,978

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 28, which comprise the condensed consolidated statement of financial position as of 30 June 2015 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

5 August 2015

INTERIM DIVIDEND

The Board of Directors has resolved to declare an interim cash dividend for 2015 of HK\$0.16 per share (2014: HK\$0.15 per share), payable on Wednesday, 23 September 2015 to the Company's shareholders registered on Thursday, 17 September 2015.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 15 September 2015 to Thursday, 17 September 2015, 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, 14 September 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2015, the unaudited consolidated profits of the Company and its subsidiaries (the "Group") amounted to approximately HK\$211.2 million, comparing to the profits from continuing operations of the corresponding period 2014 of approximately HK\$209.8 million, representing a slightly increase of 0.7%. However, if excluding the gains on disposal of available-for-sale investments amounting HK\$48.7 million and the gain on initial recognition of available-of-sale investments amounting HK\$84.1 million, recorded under 'other gains and losses' in 2014, the profit for the period had been increased substantially by 174.3%.

PROPERTY INVESTMENT OVERALL RENTAL REVENUE

For the period ended 30 June 2015, the Group's recorded gross rental revenue of approximately HK\$191.0 million, representing 15% increase comparing to that of 2014. Major changes were due to increase of rental revenue of approximately HK\$9.3 million from Chong Hing Bank Centre, approximately HK\$8.3 million from Shanghai Chong Hing Finance Center and approximately HK\$6.2 million from Chong Hing Square.

OVERALL OCCUPANCIES

The Group's overall occupancy from their major investment properties continued to maintain at 86.7% as at 30 June 2015.

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 2015, Chong Hing Square generated rental revenue of approximately HK\$57.6 million with occupancy of 94%.

Chong Hing Bank Centre

Chong Hing Bank Centre, located at 24 Des Voeux Road Central, is a 26-storey grade A office building. Having retained several floors for Company's use, the office building was leased to Chong Hing Bank Limited for 5 years with a monthly rental of HK\$5.66 million starting from 2014. For the period ended 30 June 2015, a total of approximately HK\$33.9 million rental revenue was derived 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 2015, this retail and commercial shopping centre generated rental revenue of approximately HK\$10.8 million despite of the occupancy was decreased to 76%. Rental revenue increased by 13% was mainly due to the rental revision.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

HONG KONG PROPERTIES (continued)

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 2015, Fairview Court recorded rental revenue of approximately HK\$1.8 million.

PRC PROPERTIES

Chong Hing Finance Center, Shanghai

The Group's mainland flagship property located at 288 Nanjing Road West in Huang Pu District of Shanghai, is a 36-storey Grade A commercial building which commands a strategic location and enviable view over The People's Square just across the street. With a total floor area of over 516,000 square feet of office and commercial space and 198 carparks, this property was approximately 95% let in terms of office space and 100% let in terms of retail space as at 30 June 2015. The Group intends to hold this property as a long term investment. Total rental revenue generated from this property for the period ended 30 June 2015 was approximately HK\$83.3 million, representing an increase of approximately 11%. Several improvement works had been done to upgrade the building's facilities and service standards during 2015 so as to maintain the quality service and rental revenue of this office building.

PROPERTY DEVELOPMENT

HONG KONG

Western Harbour Centre

The existing office building, located at 181–183 Connaught Road West, will be renovated into a 28-storey hotel with carparking space at basement. The hotel provides a total of 183 guest rooms. Pending the final approval by government authorities, the management expected to commence construction works in later 2015. The hotel is currently scheduled to open its doors in 2017.

Tai Po, New Territories

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

PRC

Residential Project, 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. Situated at 1 Guilong Road, Luocun in the Nanhai District of Foshan, it is conveniently located within half an hour's drive from the Foshan financial district and within 5 minutes' drive from the new Foshan West Station (under construction). This is a comprehensive development and will be developed by phases.

The Grand Riviera, Foshan

Phase I of the development consists of 12 blocks of 6–14 storey residential apartments with unit sizes ranging from 55 square metres to 400 square metres. The retail and commercial portion occupies approximately 8,600 square metres and there is a standalone clubhouse of approximately 6,800 square metres offering recreational facilities such as an outdoor swimming pool, gym, snooker room, table tennis room, karaoke rooms and card rooms. If including the carparking spaces mainly built at the basement level, total construction areas are over 181,000 square metres. Phase I provides 847 residential units and 1,126 carparking spaces. As at 5 August 2015, a total of 475 residential flat units (representing 56% of the total units) and 186 carparking spaces (representing 16.5% of total spaces) have been sold generating cash proceeds of approximately RMB395.2 million.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

PROPERTY DEVELOPMENT *(continued)*

PRC *(continued)*

Grand Jardin, Foshan

Phase II of the development consists of 12 blocks of 14 storey residential apartments of 3 unit types, being 60, 90 and 120 square metres in size. If including the retail and commercial areas of approximately 2,100 square metres, other amenities areas of approximately 3,500 square metres and carparking spaces mainly built at the basement levels, the total developable area of Phase II is over 191,000 square metres. Construction of Phase II of the development began in June 2013 and pre-sales was launched in the first quarter of 2014. As at 5 August 2015, the Group has successfully sold 989 residential flat units (representing approximately 78% of total flat units for pre-sale or approximately 64% of the total available units) returning sale proceeds of approximately RMB560.1 million. The Group will continue to launch the remaining unsold units as well as the carparking spaces in 2015. Due to the building quality and popular size of the typical units, the management have confident about the sales of this project.

Since the construction of Phase II was practically completed in May 2015 and all compliance certificates had been obtained by July 2015. Hence, the development profit of Grand Jardin Phase II will be booked in the second half of 2015.

BUDGET HOTEL PROJECT

Since 2008, the Group had started to operate a budget hotel business. In 2015, 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 30 June 2015, total hotel revenue decreased by approximately 7% from approximately HK\$23.9 million in 2014 to approximately HK\$22.2 million in 2015. 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 2015, 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	—	180,757,332 (Notes 1 & 3)	180,899,000	47.78%	
Mr. Liu Kam Fai, Winston Deputy Managing Director	3,300,000	—	—	3,300,000	0.87%	
Dr. Liu Lit Chung	—	—	132,326,710 (Note 1)	132,326,710	34.95%	

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 48,430,622 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 2015, 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 2015, 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	48,430,622 (Note 2)	12.79%

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 2015 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:

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 113 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 2014 Annual Report:

DIRECTORS' UPDATED INFORMATION

Dr. Ma Hung Ming, John, an independent non-executive director of the Company, was appointed to Justices of the Peace by The Government of the Hong Kong Special Administrative Region with effect from 1 July 2015.

Mr. Cheng Yuk Wo, an independent non-executive director of the Company, joined Chia Tai Enterprises International Limited since 15 September 2014 and Mr. Cheng had been appointed as an independent non-executive director of that company following its listing on the Main Board of the Stock Exchange in Hong Kong on 3 July 2015.

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 2015, 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 2015 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) and the website of the Company (www.lchi.com.hk). The Company's interim report for 2015 will be dispatched to the shareholders of the Company and available on the above websites on or about 25 August 2015.

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, 5 August 2015