LIU CHONG HING INVESTMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 194)

Announcement of Audited Results for the year ended 31 December 2007

RESULTS

The Board of Directors of Liu Chong Hing Investment Limited (the "Company") announces that the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2007 are as follows:

	Notes	**2007** *HK$'000*	2006 *HK$'000*
Revenue	*2*	**290,265**	407,429
Direct costs		**(101,929)**	(261,819)
Gross profit		**188,336**	145,610
Other income		**9,421**	11,658
Administrative and other expenses		**(114,212)**	(93,030)
Fair value gain on investments held for trading		**8,488**	5,074
Fair value gain on investment properties		**51,967**	8,289
Gain on disposal of available-for-sale investments		**13,196**	—
Surplus on revaluation of leasehold land and buildings		**96**	93
Finance costs		**(102,892)**	(69,870)
Share of results of associates		**246,457**	226,932
Profit before taxation		**300,857**	234,756
Income tax expense	*4*	**(41,083)**	(13,128)
Profit for the year		**259,774**	221,628
Attributable to:			
Equity holders of the Company		**263,114**	223,141
Minority shareholders		**(3,340)**	(1,513)
		259,774	221,628
Dividends	*5*	**102,218**	83,288
Basic earnings per share	*6*	**HK$0.69**	HK$0.59

CONSOLIDATED BALANCE SHEET

	2007 *HK$'000*	2006 *HK$'000*
Non-current assets		
Investment properties	**3,278,504**	3,214,549
Property, plant and equipment	**50,089**	50,431
Properties under development	**1,648,219**	1,305,213
Interests in associates	**2,898,874**	2,722,235
Available-for-sale investments	**311,439**	267,603
Prepaid lease payments	**465,111**	33,095
Advances to investee companies	**242,301**	143,802
Loans receivable — due after one year	**60,458**	66,281
	8,954,995	7,803,209
Current assets		
Inventories	**12,237**	9,950
Properties held for sale	**6,518**	64,276
Trade and other receivables	**175,846**	70,097
Investments held for trading	**11,335**	4,368
Prepaid lease payments	**9,139**	894
Loans receivable — due within one year	**11,509**	5,686
Fixed bank deposits with more than three months to maturity when raised	**537,346**	371,720
Bank accounts with Chong Hing Bank Limited and its subsidiaries	**31,448**	91,281
Other bank balances and cash	**864,041**	524,351
Assets held for sale	**2,677**	76,307
	1,662,096	1,218,930
Current liabilities		
Trade and other payables	**142,163**	190,408
Taxation payable	**10,584**	9,450
Borrowings — due within one year	**1,520,320**	722,932
	1,673,067	922,790
Net current (liabilities) assets	**(10,971)**	296,140
Total assets less current liabilities	**8,944,024**	8,099,349
Non-current liabilities		
Borrowings — due after one year	**2,573,521**	1,981,881
Deferred taxation	**408,529**	391,561
	2,982,050	2,373,442
	5,961,974	5,725,907

	2007	2006
	HK$'000	*HK$'000*
Capital and reserves		
Share capital	**378,583**	378,583
Reserves	**5,552,676**	5,318,589
Equity attributable to equity holders of the Company	**5,931,259**	5,697,172
Minority interests	**30,715**	28,735
Total equity	**5,961,974**	5,725,907

Notes:

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied, for the first time, the following new standards, amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning on 1 January 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) — Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC) — Int 8	Scope of HKFRS 2
HK(IFRIC) — Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) — Int 10	Interim Financial Reporting and Impairment

The adoption of the new HKFRSs has had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these new standards or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKFRS 8	Operation Segments[1]
HK(IFRIC) — Int 11	HKFRS 2: Group and Treasury Share Transactions[2]
HK(IFRIC) — Int 12	Service Concession Arrangements[3]
HK(IFRIC) — Int 13	Customer Loyalty Programmes[4]
HK(IFRIC) — Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]

1 Effective for annual periods beginning on or after 1 January 2009.

2 Effective for annual periods beginning on or after 1 March 2007.

3 Effective for annual periods beginning on or after 1 January 2008.

4 Effective for annual periods beginning on or after 1 July 2008.

2. REVENUE

Revenue represents the aggregate of the following amounts received and receivable during the year. An analysis of the Group's revenue for the year is as follows:

	2007	2006
	HK$'000	*HK$'000*
Proceeds from disposal of properties held for sale	**93,957**	240,669
Gross rental income	**120,700**	100,619
Sales of goods	**21,140**	26,256
Interest income on loan receivables, bank deposits and bank balances	**40,408**	26,030
Property management and agency fees	**14,035**	12,174
Dividend income from unlisted available-for-sale investments	**—**	1,645
Dividend income from listed investments held for trading	**25**	36
	290,265	407,429

3. SEGMENT INFORMATION

Business Segments

For management purposes, the Group is currently organised in five operating divisions — property investment, property development, property management, treasury investment and trading and manufacturing. These divisions are the basis on which the Group reports its primary segment information.

Segment information about these businesses is presented below:

	Year ended 31 December 2007						
	Property investment *HK$'000*	**Property development** *HK$'000*	**Property management** *HK$'000*	**Treasury investment** *HK$'000*	**Trading and manufacturing** *HK'000*	**Eliminations** *HK$'000*	**Consolidated** *HK$'000*
REVENUE							
External sales	**120,700**	**93,957**	**14,035**	**40,433**	**21,140**	**—**	**290,265**
Inter-segment sales	**—**	**—**	**5,114**	**459,605**	**—**	**(464,719)**	**—**
Total revenue	**120,700**	**93,957**	**19,149**	**500,038**	**21,140**	**(464,719)**	**290,265**

Inter-segment sales are charged at prevailing market rates.

RESULTS							
Segment results	**140,193**	**25,713**	**(5,979)**	**(2,902)**	**267**	**—**	**157,292**
Finance costs							**(102,892)**
Share of results of associates	**91**	**—**	**—**	**246,366**	**—**	**—**	**246,457**
Profit before taxation							**300,857**
Income tax expense							**(41,083)**
Profit for the year							**259,774**

	Year ended 31 December 2006						
	Property investment *HK$'000*	Property development *HK$'000*	Property management *HK$'000*	Treasury investment *HK$'000*	Trading and manufacturing *HK'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
REVENUE							
External sales	100,619	240,669	12,174	27,711	26,256	—	407,429
Inter-segment sales	—	—	4,228	423,479	—	(427,707)	—
Total revenue	100,619	240,669	16,402	451,190	26,256	(427,707)	407,429

Inter-segment sales are charged at prevailing market rates.

RESULTS							
Segment results	79,381	18,000	(1,400)	(18,621)	334	—	77,694
Finance costs							(69,870)
Share of results of associates	91	—	—	226,841	—	—	226,932
Profit before taxation							234,756
Income tax expense							(13,128)
Profit for the year							221,628

4. INCOME TAX EXPENSE

	2007	2006
	HK$'000	*HK$'000*
The charge comprises:		
Hong Kong Profits Tax		
Current year	**5,672**	4,862
Overprovision in prior years	**(57)**	(22)
	5,615	4,840
PRC Enterprise Income Tax		
Current year	**17,339**	8,638
Under(over) provision in prior years	**1,161**	(5,935)
	18,500	2,703
	24,115	7,543
Deferred taxation		
Current year	**16,968**	5,585
	41,083	13,128

Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profit for the year.

Taxation arising in other jurisdictions is calculated 33% (2006: 33%) on the estimated assessable profits of those subsidiaries that are subject to Enterprise Income Tax in PRC.

On 16 March 2007, the President of the PRC promulgated Order No. 63 — Law of the PRC on Enterprise Income Tax (the "New Law"). On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and the Implementation Regulations will change the tax rate from 33% to 25% for certain subsidiaries from 1 January 2008 onwards.

5. DIVIDENDS

	2007	2006
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2006 final dividend paid at HK$0.15 (2006: HK$0.12) per share	**56,788**	45,430
2007 interim dividend paid at HK$0.12 (2006: HK$0.10) per share	**45,430**	37,858
	102,218	83,288

The final cash dividend of HK$0.16 (2006: HK$0.15) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming general meeting.

6. **BASIC EARNINGS PER SHARE**

The calculation of the basic earnings per share attributable to the equity holders of the Company is based on the profit for the year attributable to equity holders of the Company of HK$263,114,000 (2006: HK$223,141,000) and on 378,583,440 (2006: 378,583,440) ordinary shares in issue during the year.

No diluted earnings per share has been presented as there were no dilution potential ordinary shares in issue during the years 2006 and 2007.

MANAGEMENT DISCUSSION AND ANALYSIS

Banking Operation

For the year ended 2007, the Group's banking associate, Chong Hing Bank Limited, reported a profit attributable to shareholders amounted to HK$505 million, representing an increase of 0.38% over that for the year before.

During the year 2007, economies around the world continued to enjoy decent growth. China and Hong Kong again showed strong economic performance. However, the emergence of a slowing economy towards year end together with fall-out from sub-prime loans in America caused much concern in financial markets around the world. This prompted a series of equity market corrections around the world and the U.S. reacted with a string of interest rates cuts to forestall a trouble in the U.S. economy. While the U.S. faces the likelihood of a recession, China's further tighten of its monetary policy to rein in its inflation. Therefore, we believe 2008 will be a more cautious year ahead where we will see lower interest rates favours Hong Kong's domestic economy and yet are overshadowed by China's tightening economic policy and the U.S.'s slower growth.

Property Investment

The year 2007 has been a strong year for Hong Kong's property market, particularly with turnover and transacted prices recording remarkable increase in both residential and commercial sectors. We believe this trend will continue into 2008.

Hong Kong

Chong Hing Square

Chong Hing Square, a popular ginza-type retail development situated in the heart of Mongkok, Kowloon, offers 184,000 square feet of retail and recreational space. This 20-storey building has been 84% let, and its rental revenue increased by 16%.

Chong Yip Shopping Centre

Chong Yip Shopping Centre is located in Western District with 41,000 square feet of retail and recreational space. This 2-storey shopping mall was 89% let in 2007 and rental revenue has remained stable.

Western Harbour Centre

Western Harbour Centre, a Grade-A office building at 181 Connaught Road West, Hong Kong, is conveniently located close to the Western Harbour Tunnel. This 28-storey 140,000 square feet development was 100% let in 2007 and rental revenue increased by 5.6% over the previous year.

Fairview Court

Fairview Court is a 6-unit luxury low-rise apartment building in Repulse Bay, Hong Kong, of which the Group owns 5 units. During 2007, 3 out of 5 units are let out and rental revenue increased by 17%.

PRC

Le Palais, Residential Project in Guangzhou

A prestiguous residential project in Guangzhou, Le Palais provides 844 luxury units over 4 blocks with total GFA over 1,500,000 square feet. Up to 31 December 2007, a total of 844 flat units were successfully sold out generating total sale proceeds of RMB1,013.9 million. In Year 2007, the Group achieved a gain on disposal of the properties of about HK$23.7 million after accounting for all the selling and promotion expenses incurred, as compared to HK$15.8 million in Year 2006. Besides, 297 carparking spaces were sold fetching sale revenue of HK$80.5 million. The commercial podium was remained to hold for long-term rental purpose.

Universal Plaza, Guangzhou

The Group acquired this well located 5-storey shopping mall in the central of Guangzhou in 2006. The shopping mall has a gross floor area of 188,000 square feet where the Group intends to make some renovations to this property to improve its appeal so as to achieve better rental revenue in the long term. This property is currently 75% let.

Property Development

Hong Kong

Chong Hing Bank Centre

Chong Hing Bank Centre, a 28-storey modern office building with total gross floor area over 100,000 square feet has been completed in 2006 and currently serves as the headquarters of both the Group and the Bank. The Group owns 46.8% interests in this project.

Tai Po, New Territories

The Group has recently acquired a 240,000 square feet plot of land in Tai Po district, New Territories. Initial consultational studies and planning has begun, and the Group intends to seek eventual conversion of this land for future residential use.

PRC

Chong Hing Finance Centre, Shanghai

Chong Hing Finance Centre is located at 288, Nanjing Road West, in Huang Pu District, Shanghai. This 36-storey Grade-A building is scheduled to be completed in early 2008, and will offer 340,000 square feet of office space, 137,000 square feet of commercial and retail space, and 197 car park spaces at a prestiguous location opposite People's Square. The Group intends to retain this property for long-term rental purpose. Total investment in this project is about HK$1,400 million. The Group owns 95% of this property and the remaining 5% is owned by a subsidiary of the Municipal Government of Huang Pu District, Shanghai. This property is currently 60% let and is expected to bring about RMB100 million in annual rental revenue when fully let.

Green Lake Oasis, Foshan

The Group has recently acquired a plot of land in Foshan, Guangzhou PRC. This 2,600,000 square feet land has been acquired through government land auction at a consideration of RMB476,000,000 and its use is intended for composite development including both residential and retail. The Group intends to develop this project in several phases over a period of 4–5 years and will seek to make this into a landmark project in the Foshan vicinity of Guangzhou. The Group has appointed Architectural Design & Research Institute Of Tongji University, WY Design, Belt Collins International (HK) Limited, Davis Langdon & Seah Hong Kong Limited, and Foshanshi Fusheng Real Estate Marketing Plan Co., Ltd as the consultants of this project. Currently, we expect planning and tendering to conclude in the first half of 2008, and construction to begin in the second half of the year.

Budget Hotel Chain Project

The Group has decided to capitalize on China's fast growing hospitality industry by venturing into a Budget Hotel Chain Project. With strong demand for affordable hotel accommodation and a relative lack of such hotels for many business travelers, we believe this sector of the hotel industry offers strong growth aspects in the coming years. The Group is currently planning to open 3 hotels, 2 in Shanghai and 1 in Beijing, and they are expected to begin operation in mid 2008. The Group plans to open more hotels in other strategic locations in China.

FINAL DIVIDEND

The Board of Directors proposes to recommend a final cash dividend for the year ended 31 December 2007 of HK16 cents (2006: HK15 cents) per share which, together with the interim cash dividend of HK12 cents (2006: HK10 cents) per share paid on 20 September 2007, makes a total cash dividend of HK28 cents (2006: HK25 cents) per share for 2007. The proposed final cash dividend, if approved by the shareholders at the forthcoming Annual General Meeting to be held on 30 April 2008, will be paid on 2 May 2008.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied throughout the year ended 31 December 2007 with those paragraphs of the Code of Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Exchange"), with which it is required to report compliance.

COMPLIANCE OF THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTING 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 year ended 31 December 2007, the Company and its subsidiaries have not purchased, sold or redeemed any of the Shares in the Company.

BOOK CLOSE

The Register of Members will be closed from Wednesday, 23 April 2008 to Friday, 25 April 2008, both days inclusive.

AUDIT COMMITTEE

The Company had established an Audit Committee in 1999 with revised written terms of reference with reference to the latest Listing Rules of the Exchange.

The committee comprised four members, namely Mr. Tong Tsin Ka (Chairman), Dr. The Hon. Lee Tung Hai, Leo, Mr. Ng Ping Kin, Peter and Dr. Cheng Mo Chi, Moses, and all of them are independent non-executive directors of the Company.

A meeting of the Audit Committee was held to review the Group's annual results for the year ended 31 December 2007 before they presented the same to the Board of Directors for approval.

PUBLICATION OF RESULTS ANNOUNCEMENT ON THE WEBSITE

Results announcement containing all the information required by paragraphs 45(1) to 45(8) of Appendix 16 of the Rules Governing The Listing of Securities on the Exchange is published on the Exchange's website www.hkexnews.hk and the Company's website www.lchi.com.hk.

BOARD OF DIRECTORS

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

By Order of the Board
Dr. Liu Lit Mo
Managing Director

Hong Kong, 5 March 2008