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 2009

RESULTS

The Directors of Liu Chong Hing Investment Limited (the "Company") announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2009.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	2009 HK$'000	2008 HK$'000
Revenue	2	**293,602**	277,849
Direct costs		**(60,936)**	(64,007)
Gross profit		**232,666**	213,842
Investment income		**5,119**	5,895
Other income		**2,818**	11,209
Administrative expenses		**(147,904)**	(156,953)
Gain (loss) on changes in fair value of investments held for trading		**11,000**	(7,820)
Gain on changes in fair value of investment properties		**240,891**	380,074
Loss on disposal of available-for-sale investments		**—**	(14,166)
Impairment loss on available-for-sale investments		**—**	(63,701)
Gain (loss) on revaluation of leasehold land and buildings		**1,825**	(16,888)
Finance costs		**(49,479)**	(104,292)
Share of profit of associates		**110,925**	45,255
Profit before tax		**407,861**	292,455
Income tax expense	4	**(57,295)**	(86,572)
Profit for the year		**350,566**	205,883

	Notes	**2009**	2008
		HK$'000	*HK$'000*
Other comprehensive income			
Exchange difference arising on translation		**7,838**	111,426
Fair value gain on available-for-sale investments		**29,242**	18,625
Gain on revaluation of leasehold land and buildings		**31**	40
Share of other comprehensive income (loss) of associates		**25,324**	(65,119)
Income tax relating to components of other comprehensive income		**(5,000)**	9,593
Other comprehensive income for the year (net of tax)		**57,435**	74,565
Total comprehensive income for the year		**408,001**	280,448
Profit for the year attributable to:			
Owners of the Company		**356,091**	209,326
Minority interests		**(5,525)**	(3,443)
		350,566	205,883
Total comprehensive income attributable to:			
Owners of the Company		**413,265**	276,796
Minority interests		**(5,264)**	3,652
		408,001	280,448
Basic earnings per share	*5*	**HK$0.94**	HK$0.55

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**2009**	2008
		HK$'000	*HK$'000*
Non-current assets			
Investment properties		**5,752,981**	5,486,449
Property, plant and equipment		**71,550**	71,089
Prepaid lease payments		**49,725**	51,088
Interests in associates		**2,919,424**	2,815,218
Available-for-sale investments		**276,798**	237,221
Advances to investee companies		**122,288**	118,799
Loans receivable — due after one year		**37,440**	72,178
		9,230,206	8,852,042
Current assets			
Properties under development for sale		**762,286**	626,694
Inventories		**10,816**	10,375
Properties held for sale		**6,518**	6,518
Trade and other receivables	*7*	**77,412**	92,201
Investments held for trading		**4,830**	3,515
Prepaid lease payments		**1,425**	1,439
Loans receivable — due within one year		**25,378**	15,600
Fixed bank deposits with more than three months to maturity when raised		**263,312**	455,828
Bank accounts with Chong Hing Bank Limited and its subsidiaries		**61,503**	39,297
Other bank balances and cash		**370,642**	308,828
Assets held for sale		**268**	1,615
		1,584,390	1,561,910
Current liabilities			
Trade and other payables	*8*	**220,612**	236,847
Taxation payable		**11,660**	10,986
Borrowings — due within one year		**1,206,341**	960,824
		1,438,613	1,208,657
Net current assets		**145,777**	353,253
Total assets less current liabilities		**9,375,983**	9,205,295

	Notes	**2009**	2008
		HK$'000	*HK$'000*
Non-current liabilities			
Borrowings — due after one year		**2,343,184**	2,573,216
Deferred taxation		**526,475**	484,540
		2,869,659	3,057,756
		6,506,324	6,147,539
Capital and reserves			
Share capital		**378,583**	378,583
Reserves		**6,095,090**	5,731,041
Equity attributable to owners of the Company		**6,473,673**	6,109,624
Minority interests		**32,651**	37,915
Total equity		**6,506,324**	6,147,539

Notes:

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

In the current year, the Group and the Company have applied the following new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC)-Int 18	Transfers of Assets from Customers
HKFRS (Amendments)	Improvements to HKFRSs Issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRS (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the financial statements of the Group and the Company for the current or prior accounting periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has not affected the identification of reportable segments but it has resulted in changes in the basis of measurement of segment profit or loss.

Improving Disclosures about Financial Instruments
(Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk.

The Group has not early applied the following new and revised Standards, Amendments or Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 24 (Revised)	Related Party Disclosures[6]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendment)	Classification of Rights Issues[4]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[3]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-Time Adopters[5]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[3]
HKFRS 3 (Revised)	Business Combinations[1]
HKFRS 9	Financial Instruments[7]
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[6]
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments[5]

[1] Effective for annual periods beginning on or after 1 July 2009.
[2] Effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.
[3] Effective for annual periods beginning on or after 1 January 2010.
[4] Effective for annual periods beginning on or after 1 February 2010.
[5] Effective for annual periods beginning on or after 1 July 2010.
[6] Effective for annual periods beginning on or after 1 January 2011.
[7] Effective for annual periods beginning on or after 1 January 2013.

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Company anticipate that the application of the other new and revised Standards, Amendments or Interpretations will have no material impact on the consolidated financial statements.

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

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

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 from continuing operations is as follows:

	2009	2008
	HK$'000	*HK$'000*
Gross rental income	**228,687**	201,136
Interest income on loan receivables, available for sale investments bank deposits and bank balances	**15,696**	40,341
Sales of goods	**12,447**	15,446
Property management and agency fees	**14,236**	13,720
Hotel operation income	**22,511**	7,154
Dividend income from listed investments held for trading	**25**	52
	293,602	277,849

3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires operating segment to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (HKAS 14, Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

In prior years, segment information reported externally was analysed on the basis of the types of goods supplied and services provided by the Group's operating divisions which is the same as information reported to the chief operating decision maker. The Group's operating and reportable segments under HKFRS 8 are therefore as follows:

1. Property investment
2. Property development
3. Property management
4. Treasury investment
5. Trading and manufacturing
6. Hotel operation

Information regarding the above segments is reported below. Amounts reported for the prior year have been restated to conform to the requirements of HKFRS 8.

	Year ended 31 December 2009							
	Property investment *HK$'000*	**Property development** *HK$'000*	**Property management** *HK$'000*	**Treasury investment** *HK$'000*	**Trading and manufacturing** *HK$'000*	**Hotel operation** *HK$'000*	**Eliminations** *HK$'000*	**Consolidated** *HK$'000*
REVENUE								
External sales	**228,687**	**—**	**14,236**	**15,721**	**12,447**	**22,511**	**—**	**293,602**
Inter-segment sales	**—**	**—**	**7,162**	**—**	**—**	**—**	**(7,162)**	**—**
Total	**228,687**	**—**	**21,398**	**15,721**	**12,447**	**22,511**	**(7,162)**	**293,602**
Segment profit (loss)	**380,633**	**(28,034)**	**(7,629)**	**17,678**	**(1,958)**	**(14,275)**	**—**	**346,415**
Finance costs								**(49,479)**
Share of profit of associates								**110,925**
Profit before tax								**407,861**

Inter-segment sales are charged at prevailing market rates.

	Year ended 31 December 2008							
	Property investment *HK$'000*	Property development *HK$'000*	Property management *HK$'000*	Treasury investment *HK$'000*	Trading and manufacturing *HK$'000*	Hotel operation *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
REVENUE								
External sales	201,136	—	13,720	40,393	15,446	7,154	—	277,849
Inter-segment sales	—	—	6,855	—	—	—	(6,855)	—
Total	201,136	—	20,575	40,393	15,446	7,154	(6,855)	277,849
Segment profit (loss)	430,761	(156)	(10,429)	(52,797)	(1,566)	(14,321)	—	351,492
Finance costs								(104,292)
Share of profit of associates								45,255
Profit before tax								292,455

Inter-segment sales are charged at prevailing market rates.

4. INCOME TAX EXPENSE

	2009	2008
	HK$'000	*HK$'000*
The charge comprises:		
Hong Kong Profits Tax		
Current year	**7,294**	6,161
Under (overprovision) in prior years	**39**	(60)
	7,333	6,101
PRC Enterprise Income Tax		
Current year	**8,027**	4,460
	15,360	10,561
Deferred taxation		
Current year	**41,935**	99,299
Attributable to change in tax rate	**—**	(23,288)
	41,935	76,011
	57,295	86,572

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

5. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of HK$356,091,000 (2008: HK$209,326,000) and on 378,583,440 (2008: 378,583,440) ordinary shares in issue during the year.

No diluted earnings per share has been presented as there were no dilutive potential ordinary shares in issue during the years 2008 and 2009.

6. DIVIDENDS

	2009	2008
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2009 interim dividend paid at HK$0.08		
(2008: 2008 interim dividend paid at HK$0.10) per share	**30,287**	37,858
2008 final dividend paid at HK$0.05		
(2008: 2007 final dividend paid at HK$0.16) per share	**18,929**	60,573
	49,216	98,431

The final cash dividend of HK$0.10 cents in respect of the year ended 31 December 2009 (2008: final cash dividend of HK$0.05 cents in respect of the year ended 31 December 2008) per share has been proposed by the directors and is subject to approval by the shareholders in general meeting.

7. TRADE AND OTHER RECEIVABLES

Included in the balance are trade debts, further details of which are set out below.

The Group's credit policy allows its trade customers an average credit period of 30–90 days, other than customers for sales of properties, who satisfy the Group's credit evaluation. Proceeds from sales of properties are receivable according to the terms of sale and purchase agreements. The aged analysis of trade receivables of HK$6,671,000 (2008: HK$13,199,000) presented based on the invoice date at the end of the reporting period which are included in trade and other receivables is as follows:

	2009	2008
	HK$'000	*HK$'000*
Within 30 days	**3,961**	5,717
Between 31 days to 90 days	**1,640**	2,312
Over 90 days	**1,070**	5,170
	6,671	13,199

8. TRADE AND OTHER PAYABLES

At the end of the reporting period, included in trade and other payables are trade payables of HK$9,957,000 (2008: HK$11,938,000) and the aged analysis of which presented based on the invoice date is as follows:

	2009	2008
	HK$'000	*HK$'000*
Within 30 days	**9,957**	11,935
Between 31 days to 90 days	**—**	3
	9,957	11,938

MANAGEMENT DISCUSSION AND ANALYSIS

Banking operation

For the year ended 2009, the Group's banking associate, Chong Hing Bank Limited (the "Bank"), reported a profit after taxation of HK$232 million, representing an increase of 282% over that in 2008.

With the concerted efforts of governments around the world to introduce vast economic stimulus packages to rescue the global economy, the year 2009 was in general a period of recovery. While most western economies have stabilized and rebounded gradually, China and parts of Asia have recovered much more sharply. In the year ahead, we are cautiously optimistic that growth will continue, while at the same time maintaining a high state of awareness that any rapid recovery is also prone to experience volatility and corrections.

Property investment

The year 2009 has been an active year for Hong Kong's property market, in particular many new price records were set in the residential sector of the market. We are cautiously optimistic that the property market will continue a healthy trend in 2010.

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 89% let, and its rental revenue has remained stable.

Chong Yip Shopping Centre

Chong Yip Shopping Centre is located in Western District with 45,000 square feet of retail and recreational space. This 2-storey shopping mall was 95% let in 2009 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 2009 and rental revenue increased by 5% 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. At 31 December, 2009, 4 units are let out and rental revenue increased by 31%.

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 had been completed in early 2008, and offers 336,000 square feet of lettable office space, 51,000 square feet of commercial and retail space, and 198 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 RMB1,400 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 81% let and is expected to bring RMB100 million in annual rental revenue when fully let.

Chong Hing 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 180,000 square feet. The Group has recently completed renovations to upgrade this property thus making good improvement both of rental revenue and occupancy.

Property development

Hong Kong

Tai Po, New Territories

In early 2007, the Group 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

The Grand Riviera, Foshan

In early 2007, the Group 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. At present, the first phase of this development will be launched in 2010, with over 1,200 residential units of sizes that ranges from 40 square metres to 300 square metres. Regarded as one of the most anticipated new development in Foshan and the overall Guangzhou vicinity, the Group is confident a vast number of buyers will be attracted to this high quality project.

Budget Hotel Project

The Group has decided to capitalize on China's fast growing hospitality industry by venturing into a Budget Hotel 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 currently has 2 hotels in Shanghai, 1 in Beijing, and another that will open shortly in Guangzhou. The Group expects the hotels to benefit from the upcoming Shanghai Expo and the Asian Games in Guangzhou.

FINAL DIVIDEND

The Board of Directors proposes to recommend a final cash dividend for the year ended 31 December 2009 of HK10 cents (2008: HK5 cents) per share which, together with the interim cash dividend of HK8 cents (2008: HK10 cents) per share paid on 30 September 2009, makes a total cash dividend of HK18 cents (2008: HK15 cents) per share for 2009. The proposed final cash dividend, if approved by the shareholders at the forthcoming Annual General Meeting to be held on 28 April 2010, will be paid on 29 April 2010.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has substantially complied throughout the year ended 31 December 2009 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 "Stock 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 2009, the Company and its subsidiaries have not purchased, sold or redeemed any of the Shares in the Company.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Wednesday, 21 April 2010 to Friday, 23 April 2010, both days inclusive. In order to qualify for the final dividend, all share certificates with completed transfer forms either overleaf or separately, must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 20 April 2010.

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 2009 before they presented the same to the Board of Directors for approval.

ANNUAL GENERAL MEETING

The Annual General Meeting (the "AGM") will be held at 28/F Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong on Wednesday, 28 April 2010, at 12:00 noon. The Notice of the AGM will be published on the websites of the Company and the Stock Exchange and despatched to Shareholders on or about 24 March 2010.

BOARD OF DIRECTORS

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

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

Hong Kong, 3 March 2010

The Company's Annual Report 2009, containing the Directors' Report, Financial Statements for the year ended 31 December 2009 and the Notice of Annual General Meeting, together with the circular and the Form of Proxy will be despatched to shareholders on or about 24 March 2010. All of these will be made available on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.lchi.com.hk) on the same date.