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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 2010

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 2010.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	**2010** **HK$'000**	2009 HK$'000 (Restated)
Revenue	*3*	**337,995**	293,602
Direct costs		**(75,663)**	(60,936)
Gross profit		**262,332**	232,666
Investment income		**1,629**	5,119
Other income		**38,628**	2,818
Administrative and operating expenses		**(161,466)**	(147,421)
(Loss) gain on changes in fair value of investments held for trading		**(77)**	11,000
Gain on changes in fair value of investment properties		**246,543**	240,408
Gain on revaluation of leasehold land and buildings		**252**	1,825
Finance costs		**(49,952)**	(49,479)
Share of profit of associates		**230,544**	110,925
Profit before tax		**568,433**	407,861
Income tax expense	*5*	**(65,540)**	(57,295)
Profit for the year		**502,893**	350,566

	Notes	2010 HK$'000	2009 HK$'000 (Restated)
Other comprehensive income			
Exchange differences arising on translation		**98,274**	7,838
Fair value gain on available-for-sale investments		**35,078**	29,242
Gain on revaluation of leasehold land and buildings		**825**	31
Share of other comprehensive income of associates		**32,376**	25,324
Income tax relating to components of other comprehensive income		**(4,332)**	(5,000)
Other comprehensive income for the year (net of tax)		**162,221**	57,435
Total comprehensive income for the year		**665,114**	408,001
Profit for the year attributable to:			
Owners of the Company		**507,958**	356,091
Non-controlling interests		**(5,065)**	(5,525)
		502,893	350,566
Total comprehensive income attributable to:			
Owners of the Company		**666,252**	413,265
Non-controlling interests		**(1,138)**	(5,264)
		665,114	408,001
Basic earnings per share	6	**HK$1.34**	HK$0.94

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**31.12.2010** **_HK$'000_**	31.12.2009 *HK$'000* (Restated)	1.1.2009 *HK$'000* (Restated)
Non-current assets				
Investment properties		**6,099,456**	5,772,823	5,506,774
Property, plant and equipment		**52,871**	71,550	71,089
Prepaid lease payments		**29,522**	30,415	31,308
Interests in associates		**3,158,365**	2,919,424	2,815,218
Available-for-sale investments		**297,372**	276,798	237,221
Advances to an investee company		**121,964**	122,288	118,799
Loans receivable — due after one year		**42,900**	37,440	72,178
		9,802,450	9,230,738	8,852,587
Current assets				
Properties under development for sale		**1,118,029**	762,286	626,694
Inventories		**11,088**	10,816	10,375
Properties held for sale		**6,518**	6,518	6,518
Trade and other receivables	*8*	**85,761**	77,412	92,201
Available-for-sale investments		**957**	—	—
Investments held for trading		**8,729**	4,830	3,515
Prepaid lease payments		**893**	893	894
Loans receivable — due within one year		**53,040**	25,378	15,600
Fixed bank deposits with more than three months to maturity when raised		**104,068**	263,312	455,828
Bank accounts with Chong Hing Bank Limited and its subsidiaries		**126,623**	61,503	39,297
Other bank balances and cash		**338,776**	370,642	308,828
Assets held for sale		**100**	268	1,615
		1,854,582	1,583,858	1,561,365
Current liabilities				
Trade and other payables	*9*	**180,708**	220,612	236,847
Deferred income		**134,898**	—	—
Taxation payable		**11,600**	11,660	10,986
Borrowings — due within one year		**1,854,297**	1,206,341	960,824
		2,181,503	1,438,613	1,208,657
Net current (liabilities) assets		**(326,921)**	145,245	352,708
Total assets less current liabilities		**9,475,529**	9,375,983	9,205,295

	Notes	**31.12.2010**	31.12.2009	1.1.2009
		HK$'000	*HK$'000*	*HK$'000*
			(Restated)	(Restated)
Non-current liabilities				
Borrowings — due after one year		**1,807,033**	2,343,184	2,573,216
Deferred taxation		**572,774**	526,475	484,540
		2,379,807	2,869,659	3,057,756
		7,095,722	6,506,324	6,147,539
Capital and reserves				
Share capital		**378,583**	378,583	378,583
Reserves		**6,685,626**	6,095,090	5,731,041
Equity attributable to owners of the Company		**7,064,209**	6,473,673	6,109,624
Non-controlling interests		**31,513**	32,651	37,915
Total equity		**7,095,722**	6,506,324	6,147,539

Notes:

1. GENERAL

The Company is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The address of the registered office and principal place of business of the Company is 25/F., Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars ("HK dollars"), which is also the functional currency of the Company.

The principal activities of the Company are property investment and investment holding.

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

New and revised standards and interpretations applied in the current year

In the current year, the Group and 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 (the "HKICPA").

HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (as revised in 2008)	Business Combinations
HKAS 27 (as revised in 2008)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedged Items
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners
HK-Int 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HK-Int 4 (Revised)	Leases — Determination of the Length of Lease Term in respect of Hong Kong Land Leases

Except as described below, the adoption of the new and revised HKFRSs in the current year has had no material effect on the amounts reported in the financial statements and/or disclosures set out in the financial statements of the Group and the Company.

Amendments to HKAS 17 Leases

As part of *Improvements to HKFRSs* issued in 2009, HKAS 17 *Leases* has been amended in relation to the classification of leasehold land. Before the amendments to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendments to HKAS 17 have removed such a requirement. The amendments require that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

In accordance with the transitional provisions set out in the amendments to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1 January 2010 based on information that existed at the inception of the leases. Leasehold land with undetermined use has been reclassified from prepaid lease payments to investment properties retrospectively. This resulted in prepaid lease payments with the carrying amounts of HK$20,325,000 and HK$19,842,000 as at 1 January 2009 and 31 December 2009 respectively being reclassified to investment properties.

As at 31 December 2010, leasehold land with undetermined use with the fair value of HK$21,000,000 has been included in investment properties.

The effects of changes in accounting policy described above on the results for the current and prior year by line items are as follows:

	2010	2009
	HK$'000	*HK$'000*
Decrease in administrative expenses	**532**	483
Gain on changes in fair value of investment properties	**—**	(483)
Increase in profit for the year	**532**	—

The effects of the above changes in accounting policies on the financial positions of the Group as at 1 January 2009 and 31 December 2009 is as follows:

	As at 1.1.2009 (originally stated)	**Adjustments**	**As at 1.1.2009 (restated)**	**As at 31.12.2009 (originally stated)**	**Adjustments**	**As at 31.12.2009 (restated)**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Investment properties	5,486,449	20,325	5,506,774	5,752,981	19,842	5,772,823
Prepaid lease payments	52,527	(20,325)	32,202	51,150	(19,842)	31,308
Total effects on net assets	5,538,976	—	5,538,976	5,804,131	—	5,804,131

The above changes on accounting policies have negligible impact on the basic earnings per share for the year ended 31 December 2010 and 2009.

Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Hong Kong Interpretation 5 *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* ("HK Int 5") clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time ("repayment on demand clause") should be classified by the borrower as current liabilities. The Group and the Company have applied HK Int 5 for the first time in the current year. Hong Kong Interpretation 5 requires retrospective application.

In order to comply with the requirements set out in HK Int 5, the Group and the Company have changed their accounting policy on classification of term loans with a repayment on demand clause. In the past, the classification of such term loans were determined based on the agreed scheduled repayment dates set out in the loan agreements. Under HK Int 5, term loans with a repayment on demand clause are classified as current liabilities.

As at 31 December 2010, a bank loan of the Group and the Company (that are repayable more than one year after the end of the reporting period but contain a repayment on demand clause) with the aggregate carrying amount of HK$80,000,000 has been classified as current liabilities. As at 31 December 2009 and 1 January 2009, none of the Group's and the Company's bank loans outstanding was subject to the repayment on demand clause and the adoption of HK Int 5 has had no impact on the statements of financial position at that date. The application of HK Int 5 has had no impact on the reported profit or loss for the current and prior years.

New and revised standards and Interpretations issued but not yet effective

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)	Improvements to HKFRSs issued in 2010[1]
HKFRS 7 (Amendment)	Disclosures — Transfers of Financial Assets[3]
HKFRS 9	Financial Instruments[4]
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[5]
HKAS 24 (as revised in 2009)	Related Party Disclosures[6]
HKAS 32 (Amendments)	Classification of Rights Issues[7]
HK(IFRIC)-Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement[6]
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

[1] *Effective for annual periods beginning on or after I July 2010 or I January 2011, as appropriate.*
[2] *Effective for annual periods beginning on or after 1 July 2010.*
[3] *Effective for annual periods beginning on or after 1 July 2011.*
[4] *Effective for annual periods beginning on or after 1 January 2013.*
[5] *Effective for annual periods beginning on or after 1 January 2012.*
[6] *Effective for annual periods beginning on or after 1 January 2011.*
[7] *Effective for annual periods beginning on or after 1 February 2010.*

HKFRS 9 Financial Instruments (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 Financial Instruments (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

- Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

- In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013 with earlier application permitted.

The directors anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements and the Company's financial statement for financial year ending 31 December 2013. The application of the new Standard will affect the classification and measurement of the Group's available-for-sale investments and may affect the classification and measurement of other financial assets.

The amendments to HKAS 12 titled *Deferred Tax: Recovery of Underlying Assets* mainly deal with the measurement of deferred tax for investment properties that are measured using the fair value model in accordance with HKAS 40 *Investment Property*. Based on the amendments, for the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties measured using the fair value model, the carrying amounts of the investment properties are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances. The directors are in the process of assessing the impact of the application of the amendments to HKAS 12 on the financial statements.

3. 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:

	2010	2009
	HK$'000	*HK$'000*
Gross rental income	**247,125**	228,687
Sales of goods	**18,207**	12,447
Interest income on loans receivable, available-for-sale investments, bank deposits and bank balances	**10,025**	15,696
Property management and agency fees	**14,701**	14,236
Hotel operation income	**46,565**	22,511
Dividend income from listed investments held for trading	**72**	25
Dividend income from an investee company	**1,300**	—
	337,995	293,602

4. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision maker, for the purposes of resources allocation or assessment of segment performance focuses on types of goods and services delivered or provided.

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

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

Segment Revenue and Results

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

For the year ended 31 December 2010	Property investment	Property development	Property management	Treasury investment	Trading and manufacturing	Hotel operation	Total	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE									
External sales	**247,125**	**—**	**14,701**	**11,397**	**18,207**	**46,565**	**337,995**	**—**	**337,995**
Inter-segment sales	**—**	**—**	**7,254**	**—**	**—**	**—**	**7,254**	**(7,254)**	**—**
Total	**247,125**	**—**	**21,955**	**11,397**	**18,207**	**46,565**	**345,249**	**(7,254)**	**337,995**
Segment profit (loss)	**382,772**	**(15,779)**	**(5,178)**	**36,477**	**(10,683)**	**232**	**387,841**	**—**	**387,841**
Finance costs									**(49,952)**
Share of profit of associates									**230,544**
Profit before tax									**568,433**

For the year ended 31 December 2009	Property investment	Property development	Property management	Treasury investment	Trading and manufacturing	Hotel operation	Total	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
REVENUE									
External sales	228,687	—	14,236	15,721	12,447	22,511	293,602	—	293,602
Inter-segment sales	—	—	7,162	—	—	—	7,162	(7,162)	—
Total	228,687	—	21,398	15,721	12,447	22,511	300,764	(7,162)	293,602
Segment profit (loss)	380,633	(28,034)	(7,629)	17,678	(1,958)	(14,275)	346,415	—	346,415
Finance costs									(49,479)
Share of profit of associates									110,925
Profit before tax									407,861

Segment profit/loss represents the profit earned by/loss from each segment without allocation of share of profit of associates and finance costs. In addition, administrative cost incurred by the treasury investment segment on behalf of other segments are allocated to the respective reportable segments on the basis of revenues earned by individual reportable segments. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

5. INCOME TAX EXPENSE

	2010	2009
	HK$'000	*HK$'000*
The charge comprises:		
Hong Kong Profits Tax		
Current year	**8,681**	7,294
Underprovision in prior years	**50**	39
	8,731	7,333
The People's Republic of China (the "PRC") Enterprise Income Tax	**10,510**	8,027
	19,241	15,360
Deferred taxation:		
Current year	**46,299**	41,935
	65,540	57,295

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits 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%.

6. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the profit for the year attributable to owners of the Company of HK$507,958,000 (2009: HK$356,091,000) and on 378,583,440 (2009: 378,583,440) ordinary shares in issue during the year.

No diluted earnings per share has been presented as there were no potential ordinary shares in issue during the years 2009 and 2010.

7. DIVIDENDS

	2010	2009
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
2010 interim dividend paid at HK$0.10 (2009: 2009 interim dividend HK$0.08) per share	**37,858**	30,287
2009 final dividend paid at HK$0.10 (2009: 2008 final dividend HK$0.05) per share	**37,858**	18,929
	75,716	49,216

The final dividend of HK$0.15 in respect of the year ended 31 December 2010 (2009: final dividend of HK$0.10 in respect of the year ended 31 December 2009) per share has been proposed by the directors and is subject to approval by the shareholders in general meeting.

8. 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 from sales of properties, who satisfy the Group's credit evaluation. The aged analysis of trade receivables of HK$10,849,000 (2009: HK$6,671,000) presented based on the invoice date at the end of the reporting period which are included in trade and other receivables is as follows:

	2010	2009
	HK$'000	*HK$'000*
Within 30 days	**3,984**	3,961
Between 31 days to 90 days	**4,243**	1,640
Over 90 days	**2,622**	1,070
	10,849	6,671

All of the Group's trade receivables are denominated in functional currency of its individual entities of the Group.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed periodically. Majority of the trade receivables that are neither past due nor impaired have no default payment history.

Included in the Group's trade receivable balance are debtors with an aggregate carrying amount of HK$2,622,000 (2009: HK$ 1,070,000) which were past due over 90 days at the reporting date for which the Group has not provided for impairment loss because management considers that the fundamental credit quality of these customers has not deteriorated. The Group does not hold any collateral over these balances.

9. TRADE AND OTHER PAYABLES

At the end of the reporting period, included in trade and other payables are trade payables of HK$10,565,000 (2009: HK$9,957,000) and the aged analysis of which presented based on the invoice date is as follows:

	2010	2009
	HK$'000	*HK'000*
Within 30 days	**10,565**	9,957

The average credit period on purchases of goods is 30 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

FINAL DIVIDEND

The Board of Directors proposes to recommend a final cash dividend for the year ended 31 December 2010 of HK$0.15 (2009: HK$0.10) per share which, together with the interim cash dividend of HK$0.10 (2009: HK$0.08) per share paid on 30 September 2010, makes a total cash dividend of HK$0.25 (2009: HK$0.18) per share for 2010. The proposed final cash dividend, if approved by the shareholders at the forthcoming Annual General Meeting to be held on 4 May 2011, will be paid on 5 May 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

Banking operation

For the year ended 2010, the Group's banking associate, Chong Hing Bank Limited (the "Bank"), reported a profit after taxation of HK$476 million, representing an increase of 105% over that in 2009.

The year 2010 was a year of steady progress and growth for most of Asia. While many Western economies and the U.S. are still trying to find a steady path of sustained economic recovery and growth, Hong Kong and China have enjoyed good economic progress. We are optimistic that Hong Kong and China's economy will continue to fare well in the year ahead.

Property investment

The year 2010 has continued to be 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 2011, although rise in prices may be slower than last year.

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 97% let in 2010 with modest increase of rental revenue.

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 97% let in 2010 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 2010 and rental revenue increased by 2% 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, 2010, 4 units are let out.

PRC

Chong Hing Finance Centre, Shanghai

Chong Hing Finance Centre is located at 288, Nanjing Road West, Huang Pu District, Shanghai. This 36-storey Grade-A building had been completed in early 2008, and offers 413,000 square feet of lettable office space, 103,000 square feet of commercial and retail space, and 198 car park spaces at a prestigious 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 office building is currently 95% 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 188,000 square feet. The Group has recently completed renovations to upgrade this property thus making good improvement both of rental revenue and occupancy. This property is currently 99% let.

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 2,760,000 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 was launched in 2010, with over 847 residential flat units of sizes that ranges from 55 square metres to 350 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. Since launch and up to 31 December 2010, the Group has sold over 342 flat units (being 58% of first-batch put up for pre-sale) of Phase 1 of this development.

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 travellers, we believe this sector of the hotel industry offers strong growth aspects in the coming years. The Group currently has two hotels in Shanghai, one in Beijing, and one in Guangzhou. The hotels have benefited from the Shanghai Expo and the Asian Games in Guangzhou, and we expect business to gradually improve over 2011.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has substantially complied throughout the year ended 31 December 2010 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 2010, 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, 27 April 2011 to Friday, 29 April 2011, 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 26 April 2011.

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), Mr. Ng Ping Kin, Peter, Dr. Cheng Mo Chi, Moses and Mr. Kho Eng Tjoan, Christopher, and all of them are independent nonexecutive 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 2010 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 27/F, Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong on Wednesday, 4 May 2011, at 12:00 noon. The Notice of the AGM will be published on the websites of the Company and the HKExnews and despatched to Shareholders on or about 23 March 2011.

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 (also 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: Mr. Ng Ping Kin, Peter, Dr. Cheng Mo Chi, Moses, Mr. Tong Tsin Ka and Mr. Kho Eng Tjoan, Christopher.

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

Hong Kong, 2 March 2011

The Company's Annual Report 2010, containing the Directors' Report, Financial Statements for the year ended 31 December 2010 and the Notice of Annual General Meeting, together with the circular and the Form of Proxy will be despatched to shareholders on or about 23 March 2011. All of these will be made available on the website of the HKExnews's (www.hkexnews.hk) and the Company's website (www.lchi.com.hk) on the same date.