Liu Chong Hing Investment Limited

(Incorporated in Hong Kong with limited liability)

(Stock code: 00194)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

The Directors of Liu Chong Hing Investment Limited (the "Company") announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2017.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the Six Months Ended 30 June 2017

		Six months ended 30 June	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue		**512,199**	560,153
Direct costs		**(222,610)**	(276,872)
		289,589	283,281
Other income		**3,170**	3,006
Administrative and operating expenses		**(91,424)**	(85,733)
Other gains and losses	*4*	**165,647**	67,698
Finance costs		**(10,708)**	(12,086)
Profit before tax		**356,274**	256,166
Income tax expense	*5*	**(27,407)**	(37,498)
Profit for the period		**328,867**	218,668
Profit for the period attributable to:			
Owners of the Company		**319,726**	213,303
Non-controlling interests		**9,141**	5,365
		328,867	218,668
Basic earnings per share	*6*	**HK$0.84**	HK$0.56

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Six Months Ended 30 June 2017

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**328,867**	218,668
Other comprehensive income (expense)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation	**113,955**	(78,391)
Fair value gains (losses) on available-for-sale investments	**27,725**	(6,262)
Investment revaluation reserve reclassified to profit or loss in relation to impairment loss on available-for-sale investments	**30,579**	–
Investment revaluation reserve reclassified to profit or loss upon disposal of available-for-sale investments	**–**	(1,283)
Exchange reserve reclassified to profit or loss upon disposal of subsidiaries	**–**	(2,872)
Other comprehensive income (expense) for the period (net of tax)	**172,259**	(88,808)
Total comprehensive income for the period	**501,126**	129,860
Total comprehensive income attributable to:		
Owners of the Company	**486,802**	127,990
Non-controlling interests	**14,324**	1,870
	501,126	129,860

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

	Notes	**30 June** *2017* *HK$'000* **(unaudited)**	31 December *2016* *HK$'000* (audited)
Non-current assets			
Investment properties		**8,166,754**	7,881,519
Property, plant and equipment		**124,798**	125,828
Properties under development		**1,110,973**	1,005,598
Interests in joint ventures		**1,225**	1,225
Investments in securities		**679,665**	651,653
Long term loan receivables		**5,099**	15,799
Fixed bank deposit with more than three months to maturity when raised		**–**	247,065
Deferred tax assets		**5,807**	5,807
		10,094,321	9,934,494
Current assets			
Properties under development for sale		**1,210,370**	954,969
Properties held for sale		**468,927**	622,481
Inventories		**15,148**	13,429
Trade and other receivables	*8*	**195,293**	127,489
Investments in securities		**15,056**	12,305
Taxation recoverable		**25,604**	14,989
Fixed bank deposits with more than three months to maturity when raised		**730,273**	775,857
Other bank balances and cash		**1,676,853**	1,265,226
		4,337,524	3,786,745
Current liabilities			
Trade and other payables	*9*	**1,621,877**	1,295,710
Taxation payable		**11,908**	960
Borrowings — due within one year		**377,231**	144,768
		2,011,016	1,441,438
Net current assets		**2,326,508**	2,345,307
Total assets less current liabilities		**12,420,829**	12,279,801

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*
As at 30 June 2017

	30 June **2017** ***HK$'000*** **(unaudited)**	31 December 2016 *HK$'000* (audited)
Non-current liabilities		
Rental deposits from tenants	**91,349**	91,094
Borrowings — due after one year	**786,897**	1,038,861
Deferred tax liabilities	**232,096**	226,910
	1,110,342	1,356,865
	11,310,487	10,922,936
Equity		
Share capital	**381,535**	381,535
Reserves	**10,915,602**	10,542,375
Equity attributable to:		
Owners of the Company	**11,297,137**	10,923,910
Non-controlling interests	**13,350**	(974)
Total equity	**11,310,487**	10,922,936

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended 30 June 2017

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").

The financial information relating to the year ended 31 December 2016 that is included in the condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) (the "Companies Ordinance") is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's independent auditor has reported on those consolidated financial statements. The independent auditor's report was unqualified; did not include a reference to any matters to which the independent auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

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 2017 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016.

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 HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

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

Segment revenue and results

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

	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*	Total *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
For the six months ended 30 June 2017									
Segment revenue	179,128	261,436	15,749	23,308	35,365	5,392	520,378	(8,179)	512,199
Comprising:									
— revenue from customers	177,064	261,436	9,634	23,308	35,365	5,392			
— inter-segment transactions *(note)*	2,064	–	6,115	–	–	–			
Operating expenses	(72,642)	(191,950)	(10,335)	(6,007)	(32,924)	(5,185)	(319,043)	8,179	(310,864)
Gain on changes in fair value of investment properties	183,218	–	–	–	–	–	183,218	–	183,218
Gain on changes in fair value on financial instruments at fair value through profit or loss ("FVTPL")	–	–	–	2,732	–	–	2,732	–	2,732
Impairment loss recognised in respect of available-for-sale investments	–	–	–	(30,579)	–	–	(30,579)	–	(30,579)
Net exchange (losses) gains	(1,447)	11,257	(130)	604	–	(8)	10,276	–	10,276
Segment profit (loss)	288,257	80,743	5,284	(9,942)	2,441	199	366,982	–	366,982
Finance costs									(10,708)
Profit before tax									356,274

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

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

	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*	Total *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
For the six months ended 30 June 2016									
Segment revenue	188,525	303,031	14,878	18,348	30,590	11,915	567,287	(7,134)	560,153
Comprising:									
— revenue from customers	186,905	303,031	9,364	18,348	30,590	11,915			
— inter-segment transactions *(note)*	1,620	–	5,514	–	–	–			
Operating expenses	(72,476)	(239,844)	(10,613)	(4,336)	(27,455)	(12,009)	(366,733)	7,134	(359,599)
Gain on changes in fair value of investment properties	68,664	–	–	–	–	–	68,664	–	68,664
Loss on changes in fair value on financial instruments at FVTPL	–	–	–	(384)	–	–	(384)	–	(384)
Gain on disposal of available-for-sale investments	–	–	–	1,576	–	–	1,576	–	1,576
Gain on disposal of subsidiaries	–	–	–	–	–	10,841	10,841	–	10,841
Net exchange gains (losses)	800	(7,385)	85	(5,909)	–	4	(12,405)	–	(12,405)
Loss on disposal of property, plant and equipment	–	(6)	–	–	–	(588)	(594)	–	(594)
Segment profit	185,513	55,796	4,350	9,295	3,135	10,163	268,252	–	268,252
Finance costs									(12,086)
Profit before tax									256,166

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 finance costs. In addition, administrative costs incurred by the treasury investment segment on behalf of other segments are allocated to respective operating segments on the basis of revenues earned by individual operating segments. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

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

4. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Gain on changes in fair value of investment properties	**183,218**	68,664
Gain (loss) on changes in fair value of financial instruments at FVTPL	**2,732**	(384)
Gain on disposal of available-for-sale investments	**–**	1,576
Gain on disposal of subsidiaries	**–**	10,841
Impairment loss recognised in respect of available-for-sale investments	**(30,579)**	–
Net exchange gains (losses)	**10,276**	(12,405)
Loss on disposal of property, plant and equipment	**–**	(594)
	165,647	67,698

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
The charge comprises:		
Current tax:		
Hong Kong Profits Tax	**8,843**	9,643
The People's Republic of China ("PRC") Enterprise Income Tax	**7,071**	16,476
	15,914	26,119
(Over)underprovision in prior years:		
Hong Kong Profits Tax	**(10)**	131
PRC Land Appreciation Tax ("LAT")	**6,317**	6,568
Deferred taxation	**5,186**	4,680
	27,407	37,498

Notes:

(a) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

(b) 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%.

(c) The Group has estimated the tax provision for PRC LAT according to the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon completion of the property development projects and the tax authorities might disagree with the basis on which the provision for LAT is calculated.

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 period attributable to owners of the Company of HK$319,726,000 (six months ended 30 June 2016: HK$213,303,000) and on 378,583,440 (30 June 2016: 378,583,440) ordinary shares in issue during the period.

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

7. DIVIDENDS

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Dividends recognised as distribution during the period:		
Final dividend declared and paid for 2016 — HK$0.30 per share (2016: declared and paid for 2015 HK$0.26 per share)	**113,575**	98,432
Dividend declared in respect of current period:		
Interim dividend declared for 2017 — HK$0.18 per share (2016: HK$0.17 per share)	**68,145**	64,359

On 9 August 2017, the Board of Directors has approved an interim cash dividend of HK$0.18 per share (2016: HK$0.17 per share), which will be paid to the Company's shareholders whose names appear on the Register of Members on 21 September 2017.

8. TRADE AND OTHER RECEIVABLES

	30 June	31 December
	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**22,893**	25,632
Deposits paid	**42,783**	20,455
Loan receivables	**14,164**	11,475
Prepayments and other receivables	**115,453**	69,927
	195,293	127,489

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 terms of the sale and purchase agreements. The aged analysis of trade receivables presented based on the invoice date at the end of the reporting period is as follows:

	30 June	31 December
	2017	2016
	HK$'000	*HK$'000*
Within 30 days	**6,323**	8,078
Between 31 days to 90 days	**12,040**	11,350
Over 90 days	**4,530**	6,204
	22,893	25,632

9. TRADE AND OTHER PAYABLES

	30 June 2017 *HK$'000*	31 December 2016 *HK$'000*
Trade payables	**7,961**	7,874
Construction costs and retention payables	**214,774**	270,256
Deposits received and receipt in advance in respect of rental of investment properties	**42,455**	44,275
Receipt in advance on properties sold	**1,337,500**	948,843
Other payables	**19,187**	24,462
	1,621,877	1,295,710

The following is an aged analysis of trade payables based on the invoice date:

	30 June 2017 *HK$'000*	31 December 2016 *HK$'000*
Within 30 days	**7,961**	7,874

INTERIM DIVIDEND

The Board of Directors has resolved to declare an interim cash dividend for 2017 of HK$0.18 per share (2016: HK$0.17 per share), payable on Friday, 29 September 2017 to the Company's shareholders registered on Thursday, 21 September 2017.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 19 September 2017 to Thursday, 21 September 2017, 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, 18 September 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

For the period ended 30 June 2017, the unaudited consolidated profits of the Company and its subsidiaries (the "Group") amounted to approximately of HK$328.9 million, comparing to that of 2016 amounted to approximately of HK$218.7 million, representing an increase of 50%. The net changes were mainly due to the increase in fair value of investment properties.

PROPERTY INVESTMENT

Overall rental revenue

For the period ended 30 June 2017, the Group recorded gross rental revenue of approximately HK$177.1 million, decreased by approximately of HK$9.8 million from approximately of HK$186.9 million in 2016, representing a decrease of 5%. Major change was due to decrease of rental revenue from Shanghai Chong Hing Finance Center.

Overall occupancies

The Group's overall occupancy from major investment properties continued to maintain at 88.7% as at 30 June 2017.

HONG KONG PROPERTIES

Chong Hing Square

Chong Hing Square, located at 601 Nathan Road Mongkok, is a 20-storey ginza-type retail/commercial development offers over 182,000 square feet of retail and commercial space. For the period ended 30 June 2017, Chong Hing Square generated rental revenue of approximately HK$60.7 million with occupancy of 96% as at 30 June 2017. The management had commenced a substantial renovation work to the building for the purpose of increasing the capital value of the property. Renovation work came to the final stage and scheduled to be completed in third quarter of 2017. Upon completion of the renovation, the management expected to provide better services to tenants and the customers. Total renovation costs amounted to approximately of HK$64 million and all expenditures are funded by internal resources.

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 fixed tenancy with option to renew for another 5 years. For the period ended 30 June 2017, a total of approximately HK$34 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 2017, this retail and commercial shopping center generated rental revenue of approximately HK$10 million, decreased by 4.6% when comparing to that of 2016. The occupancy was decreased to 70% as at 30 June 2017. The management had been studying different renovation proposals to upgrade this building for the purpose of gaining better rental return.

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 2017, Fairview Court recorded rental revenue of approximately HK$1.2 million with 100% occupancy.

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 spaces and 198 carparks, this property was approximately 83% let in terms of office space and 100% let in terms of retail space. For the period ended 30 June 2017, this office building generated rental revenue of approximately HK$67.7 million, representing a decrease of 10.6%. The change was mainly due to the decrease of occupancy.

PROPERTY DEVELOPMENT

Hong Kong

ONE-EIGHT-ONE Hotel & Serviced Residences

The previous office building (formerly known as Western Harbour Center), located at 181–183 Connaught Road West, was under construction to convert into a 183-room hotel and serviced residences. Construction work began in the last quarter of 2015. Due to the delay in construction, the hotel was scheduled to complete in Q4 2017. Total renovation costs amounted to approximately of HK$460 million and all expenditures are funded by internal resources.

Tai Po, New Territories

The Group had acquired a plot of land with 262,000 square feet in Tai Po district, New Territories. The management has initiated the studies for the future development of this agriculture land.

PRC

The Grand Riviera, Foshan

This comprehensive development situated at 1 Guilong Road, Luocun in the Nanhai District of Foshan, 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.

Development Status

The Foshan residential project is a comprehensive development and it was developed by phases. As at today, Phase 1 and 2 were completed. Phase 3 was practically completed and it was ready to handover for occupation in October 2017. For Phase 4, it already commenced construction in Q3 2016 and scheduled to complete in 2018.

Financial and Sale results

For the period ended 30 June 2017, the Group recorded sale revenue of approximately HK$261.4 million, decreased by approximately of HK$41.6 million from approximately of HK$303 million in 2016, representing a decrease of 13.7%. However, due to the increase of selling price, the Group recorded an increase of gross profit from approximately of HK$73.4 million to approximately of HK$84.7 million, representing 15.4% up.

The Grand Riviera, Foshan (Phase 1)

As at 9 August 2017, a total of 782 residential flat units (representing 92% of the total units) were successfully sold out fetching total sale proceeds of approximately RMB702.1 million.

The Group has also started to sell car parks in the second quarter of 2013. As at 9 August 2017, 352 car parking units (representing 31% of the total units) were successfully sold out, fetching total sale proceeds of approximately RMB48.7 million.

Grand Jardin, Foshan (Phase 2 and 3)

As at 9 August 2017, all 1,542 residential units of Phase 2 were successfully sold out returning sale proceeds of approximately RMB932.3 million. Besides, 400 car parking units (representing 36% of the total units for sale) were successfully sold out, fetching total sale proceeds of approximately RMB57.3 million.

For Phase 3, all 1,498 residential units were successfully sold out returning sale proceeds of approximately RMB1,130.8 million. On schedule, the construction of Phase 3 will be completed and is ready to handover for occupation by the end of 2017. As such, the sale results of Phase 3 will be recognized in the second half of 2017.

Grand Jardin, Foshan (Phase 4)

For Phase 4 development, it constructed 11 blocks of 14-storey residential flats above the ground. It provides 1,380 residential units with developable areas over 156,000 square meters. Including the retail and commercial areas of approximately 5,900 square meters, other amenities areas of approximately 7,700 square meters and 1,227 car parking spaces mainly built at the basement level, the total developable areas of Phase 4 is over 216,000 square meters. For the size of residential units, it provided four typical sizes with areas of 90, 100, 130 and 140 square meters. Construction work was commenced since the third quarter of 2016.

As at today, a total of 622 units (representing 45% of the total units put up for pre-sale) were successfully sold out, fetching total sale proceeds of approximately RMB751.6 million.

If all of the remaining (unsold) properties including residential units, retail shops and car parks, could be sold under the current market situation with estimated selling price, the Group could receive further total sale proceeds of approximately HK$3 billion.

BUDGET HOTEL PROJECT

Since 2008, the Group started to operate budget hotel business in Shanghai, Beijing and Guangzhou. All of these budget hotels are managed by and under the brand name of Hanting. For the period ended 30 June 2017, hotel revenue decreased by 55% from approximately of HK$11.9 million in 2016 to approximately HK$5.4 million in 2017. Due to the restructuring of the business strategy, the Group had sold the budgeted hotels at Shanghai and Beijing in 2016, only the hotel in Guangzhou remains in operation.

FUTURE AND CHALLENGE

The Group will continue to look for good investment opportunities in the years ahead, acting with prudence and diversity.

However, the biggest challenge to our group in the year ahead is the continuing growth of the China's economy and the promulgation of any new policy to tighten the transaction price of real estate market. In the last couple of months, many new measures including 'price ceiling' and 'restricted purchase' arrangements had been introduced in different major cities in order to crack down the overheated property price. If such measures keep continuing, it will undoubtedly affect our sale revenue in the Foshan residential project.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the period under review, the Company had substantially complied with the provision of 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 Chief Executive Officer 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 2016 Annual Report:

Directors' Updated Information

The Board of Directors announces with great sadness that Dr. Liu Lit Mo, Chairman and Executive Director of the Company, passed away on 12 July 2017.

Mr. Liu Lit Chi, Chief Executive Officer, has been elected to serve the Chairman of the Company with effect from 9 August 2017.

Mr. Cheng Yuk Wo, an independent non-executive director of the Company, joined Somerley Capital Holdings Limited since 9 March 2017 and Mr. Cheng had been appointed as an independent non-executive director of that company following its listing on the Growth Enterprise Market of the Stock Exchange in Hong Kong on 27 March 2017.

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 2017, the Company and its subsidiaries have not purchased, sold or redeemed any of the shares in the Company.

REVIEW OF UNAUDITED INTERIM FINANCIAL REPORT

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 2017 have been reviewed by our auditor, 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 unmodified 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 2017 will be dispatched to the shareholders of the Company and available on the above websites on or about 29 August 2017.

BOARD OF DIRECTORS

At the date of this announcement, the Board comprises the following Executive Directors: Mr. Liu Lit Chi (Chairman 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 and Mr. Kho Eng Tjoan, Christopher and the following Independent Non-executive Directors: Dr. Cheng Mo Chi, Moses, Mr. Au Kam Yuen, Arthur, Dr. Ma Hung Ming, John and Mr. Cheng Yuk Wo.

By Order of the Board
Mr. Liu Lit Chi
Chairman and Chief Executive Officer

Hong Kong, 9 August 2017