Liu Chong Hing Investment Limited

(Incorporated in Hong Kong with limited liability)

(Stock code: 00194)

ANNOUNCEMENT OF AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	NOTES	**2017** *HK$'000*	2016 *HK$'000*
Revenue		**2,215,351**	1,031,138
Direct costs		**(1,290,323)**	(438,027)
		925,028	593,111
Other income		**8,506**	8,566
Administrative and operating expenses		**(217,886)**	(169,600)
Other gains and losses		**278,911**	109,294
Finance costs		**(26,658)**	(21,939)
Share of results of joint ventures		**1,645**	(3)
Profit before tax		**969,546**	519,429
Income tax expense	*4*	**(195,730)**	(50,631)
Profit for the year		**773,816**	468,798
Profit for the year attributable to:			
Owners of the Company		**744,888**	457,907
Non-controlling interests		**28,928**	10,891
		773,816	468,798
Basic earnings per share	*6*	**HK$1.97**	HK$1.21

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2017	2016
	HK$'000	*HK$'000*
Profit for the year	**773,816**	468,798
Other comprehensive income (expense)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation	**246,044**	(240,002)
Fair value gains (losses) on available-for-sale investments	**37,939**	(77,376)
Investment revaluation reserve reclassified to profit or loss in relation to impairment loss on available-for-sale investments	**39,860**	20,440
Investment revaluation reserve reclassified to profit or loss upon disposal of available-for-sale investments	**–**	(1,522)
Exchange reserve reclassified to profit or loss upon disposal of subsidiaries	**–**	(2,872)
Other comprehensive income (expense) for the year (net of tax)	**323,843**	(301,332)
Total comprehensive income for the year	**1,097,659**	167,466
Total comprehensive income (expense) attributable to:		
Owners of the Company	**1,057,499**	170,633
Non-controlling interests	**40,160**	(3,167)
	1,097,659	167,466

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	**2017** ***HK$'000***	2016 *HK$'000*
Non-current assets			
Investment properties		**8,392,900**	7,881,519
Property, plant and equipment		**125,804**	125,828
Properties under development		**1,207,006**	1,005,598
Interests in joint ventures		**192,210**	1,225
Investments in securities		**690,486**	651,653
Long term loan receivables		**4,763**	15,799
Fixed bank deposit with more than three months to maturity when raised		**–**	247,065
Deferred tax assets		**3,850**	5,807
		10,617,019	9,934,494
Current assets			
Properties under development for sale		**659,998**	954,969
Properties held for sale		**555,975**	622,481
Inventories		**26,949**	13,429
Trade and other receivables	*7*	**115,285**	127,489
Investments in securities		**16,793**	12,305
Derivative financial instruments		**26**	–
Taxation recoverable		**20,706**	14,989
Fixed bank deposits with more than three months to maturity when raised		**359,796**	775,857
Other bank balances and cash		**2,162,588**	1,265,226
		3,918,116	3,786,745
Current liabilities			
Trade and other payables	*8*	**1,001,766**	1,295,710
Taxation payable		**100,005**	960
Borrowings — due within one year		**383,655**	144,768
		1,485,426	1,441,438
Net current assets		**2,432,690**	2,345,307
Total assets less current liabilities		**13,049,709**	12,279,801

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*

	2017 HK$'000	2016 HK$'000
Non-current liabilities		
Rental deposits from tenants	**98,597**	91,094
Borrowings — due after one year	**864,345**	1,038,861
Derivative financial instruments	**790**	–
Deferred tax liabilities	**247,102**	226,910
	1,210,834	1,356,865
	11,838,875	10,922,936
Equity		
Share capital	**381,535**	381,535
Reserves	**11,418,154**	10,542,375
Equity attributable to:		
Owners of the Company	**11,799,689**	10,923,910
Non-controlling interests	**39,186**	(974)
Total equity	**11,838,875**	10,922,936

NOTES:

1. GENERAL

The Company is a public limited liability company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited. The address of the registered office and principal place of business of the Company is 23/F, Chong Hing Bank Centre, 24 Des Vouex Road Central, Hong Kong.

The principal activities of the Company and its subsidiaries are property investment, property development, property management, treasury investment, trading and manufacturing and hotel operation.

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

2. BASIS OF PREPARATION

The financial information relating to the years ended 31 December 2017 and 2016 included in this preliminary announcement of annual results do not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those 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 (the "Companies Ordinance") is as follows:

The Company has delivered the 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 and will deliver the financial statements for the year ended 31 December 2017 in due course.

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

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Application of new and revised HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or the disclosures set out in these 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 segments 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 HKFRS 8 *Operating Segment*s 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*	Segment total *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
For the year ended 31 December 2017									
Segment revenue	369,829	1,694,507	31,971	48,238	75,984	11,269	2,231,798	(16,447)	2,215,351
Comprising:									
— revenue from customers	365,611	1,694,507	19,742	48,238	75,984	11,269			
— inter-segment transactions *(note)*	4,218	–	12,229	–	–	–			
Operating expenses	(146,748)	(1,254,803)	(21,079)	(14,102)	(68,803)	(10,615)	(1,516,150)	16,447	(1,499,703)
Gain on changes in fair value of investment properties	292,070	–	–	–	–	–	292,070	–	292,070
Gain on changes in fair value of financial assets at FVTPL	–	–	–	4,490	–	–	4,490	–	4,490
Loss on changes in fair value of derivative financial instruments	–	–	–	(764)	–	–	(764)	–	(764)
Net exchange gains (losses)	8,140	26,635	(297)	1,396	–	(1)	35,873	–	35,873
Impairment loss recognised in respect of available-for-sale investments	–	–	–	(39,860)	–	–	(39,860)	–	(39,860)
Impairment loss recognised in respect of other receivables	–	–	–	(2,541)	(9,452)	(905)	(12,898)	–	(12,898)
Segment profit (loss)	523,291	466,339	10,595	(3,143)	(2,271)	(252)	994,559	–	994,559
Finance costs									(26,658)
Share of results of joint ventures									1,645
Profit before tax									969,546

note: Inter-segment transactions are charged at prevailing market prices.

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*	Segment total *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
For the year ended 31 December 2016									
Segment revenue	364,526	488,390	29,706	82,957	63,048	16,999	1,045,626	(14,488)	1,031,138
Comprising:									
— revenue from customers	361,136	488,390	18,608	82,957	63,048	16,999			
— inter-segment transactions *(note)*	3,390	–	11,098	–	–	–			
Operating expenses	(130,710)	(370,400)	(21,095)	(19,042)	(55,123)	(17,179)	(613,549)	14,488	(599,061)
Gain on changes in fair value of investment properties	158,302	–	–	–	–	–	158,302	–	158,302
Loss on changes in fair value of financial assets at FVTPL	–	–	–	(791)	–	–	(791)	–	(791)
Gain on disposal of available-for-sale investments	–	–	–	1,816	–	–	1,816	–	1,816
Gain on disposal of subsidiaries	–	–	–	–	–	10,841	10,841	–	10,841
Net exchange (losses) gains	(12,621)	(20,865)	272	(6,845)	–	4	(40,055)	–	(40,055)
Impairment loss recognised in respect of available-for-sale investments	–	–	–	(20,440)	–	–	(20,440)	–	(20,440)
Loss on disposal of property, plant and equipment	–	–	–	–	(379)	–	(379)	–	(379)
Segment profit	379,497	97,125	8,883	37,655	7,546	10,665	541,371	–	541,371
Finance costs									(21,939)
Share of results of joint ventures									(3)
Profit before tax									519,429

note: Inter-segment transactions are charged at prevailing market prices.

4. INCOME TAX EXPENSE

	2017	2016
	HK$'000	*HK$'000*
The charge comprises:		
Current tax:		
Hong Kong Profits Tax	**17,052**	18,263
The People's Republic of China (the "PRC") Enterprise Income Tax	**132,408**	7,820
	149,460	26,083
(Over)underprovision in prior years:		
Hong Kong Profits Tax	**(160)**	64
PRC Enterprise Income Tax	**–**	2,418
	(160)	2,482
PRC Land Appreciation Tax ("LAT")	**36,799**	13,161
Deferred taxation	**9,631**	8,905
	195,730	50,631

notes:

(a) Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%) of the estimated assessable profit for both years.

(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% (2016: 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.

5. DIVIDENDS

	2017	2016
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
Interim dividend paid for 2017 — HK$0.18 per share (2016: interim dividend paid for 2016 — HK$0.17 per share)	**68,145**	64,359
Final dividend paid for 2016 — HK$0.3 per share (2016: final dividend paid for 2015 — HK$0.26 per share)	**113,575**	98,432
	181,720	162,791

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2017 of HK$0.42 (2016: final dividend in respect of the year ended 31 December 2016 of HK$0.30) per share, in an aggregate amount of approximately HK$159,005,000 (2016: HK$113,575,000) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

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 approximately HK$744,888,000 (2016: HK$457,907,000) and on 378,583,440 (2016: 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 2017 and 2016.

7. TRADE AND OTHER RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**24,990**	25,632
Deposits paid	**27,751**	20,455
Loan receivables	**9,347**	11,475
Prepayments and other receivables	**53,197**	69,927
	115,285	127,489

notes:

(a) 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.

Considerations in respect of sold properties are payable by the purchasers pursuant to the terms of the sale and purchase agreements. Monthly rent in respect of leased properties are payable monthly in advance by the tenants. Other trade customers settle their accounts with an average credit period of 30–90 days. The aged analysis of trade receivables of approximately HK$24,990,000 (2016: HK$25,632,000) presented based on the invoice date at the end of the reporting period is as follows:

	2017	2016
	HK$'000	*HK$'000*
Within 30 days	**9,089**	8,078
Between 31 days to 90 days	**13,859**	11,350
Over 90 days	**2,042**	6,204
	24,990	25,632

(b) As at 31 December 2017, debtors with an aggregate carrying amount of approximately HK$2,250,000 (2016: HK$2,731,000) were past due and aged over 90 days at the end of reporting period but the Group has not provided for impairment loss for these balances as management considers that the fundamental credit quality of these customers has not deteriorated. The Group does not hold any collateral over these balances.

(c) All of the Group's trade receivables are denominated in the functional currency of the individual entities within the Group.

(d) At the end of each reporting period, the Group performed the impairment assessment of trade and other receivables based on the recoverability of these balances. Impairment loss is made when there is objective evidence that the recoverability of the amount becomes doubtful, based on historical settlement experience, subsequent settlements, business relationship and credit assessment of counterparties. During the year ended 31 December 2017, an impairment loss of HK$12,898,000 (2016: HK$nil) in respect of other receivables was recognised in profit or loss.

8. TRADE AND OTHER PAYABLES

	2017	2016
	HK$'000	*HK$'000*
Trade payables	**8,828**	7,874
Construction costs and retention payables	**445,909**	270,256
Deposits received and receipt in advance in respect of rental of investment properties	**41,278**	44,275
Receipt in advance on properties sold	**475,327**	948,843
Other payables	**30,424**	24,462
	1,001,766	1,295,710

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

	2017	2016
	HK$'000	*HK$'000*
Within 30 days	**8,828**	7,874

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.

Receipt in advance on properties sold amounting to approximately HK$387,573,000 (2016: HK$nil) are expected to be released to profit or loss after twelve months from the end of the reporting period.

FINAL DIVIDEND

The Board of Directors proposes to recommend a final cash dividend for the year ended 31 December 2017 of HK$0.42 (2016: HK$0.30) per share together with the interim cash dividend of HK$0.18 (2016: HK$0.17) per share paid on 29 September 2017, makes a total cash dividend of HK$0.60 (2016: HK$0.47) per share. The proposed final cash dividend, if approved by the shareholders at the forthcoming Annual General Meeting to be held on Tuesday, 15 May 2018, will be paid on Tuesday, 5 June 2018 to the Company's shareholders registered on Friday, 25 May 2018.

CLOSURE OF REGISTER OF MEMBERS FOR THE ENTITLEMENT OF 2017 FINAL DIVIDEND

For the purpose of determining shareholders who qualify for the 2017 final dividend, whose name should be recorded in the Company's shareholders book on Friday, 25 May 2018. The Register of Members of the Company will be closed from Wednesday, 23 May 2018 to Friday, 25 May 2018, 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 for registration 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 Monday, 21 May 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December 2017, the Group recorded audited consolidated profit of approximately HK$773.8 million, comparing to that of 2016 amounted to approximately HK$468.8 million, representing an increase of approximately 65%. The net changes were mainly due to the profits recognition from the sale of Foshan residential project (Phase 3) and the increase in fair value of investment properties.

Revenue mainly referred to the revenues generated from property investment, property development, property management, treasury investment, trading & manufacturing and hotel operation.

Other income referred to various miscellaneous income other than the main revenue.

Other gains and losses mainly comprised of gain on changes in fair value of investment properties, net exchange gains, impairment loss recognised in respect of available-for-sale investments and impairment loss recognised in respect of other receivables.

Property Investment

Overall Rental Revenue

For the year ended 31 December 2017, the Group recorded gross rental revenue of approximately HK$365.6 million, increased by approximately HK$4.5 million from approximately of HK$361.1 million in 2016, slightly increase of 1%.

Overall occupancies

The Group's overall occupancy from major investment properties continued to maintain at 91.6% as at 31 December 2017.

HK 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 year ended 31 December 2017, Chong Hing Square generated rental revenue of approximately HK$122.2 million with occupancy of 100% as at 31 December 2017. As the renovation work has been completed in 2017, overall image and value of the building was enhanced. This renovation enables the building to obtain a good rental rates for both new leases (such as Xiaomi and Pricerite) and existing leases renewals (such as Aeon). Total renovation cost was 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 group's use, the office building was leased to Chong Hing Bank Limited for 5 years fixed tenancy. For the year ended 31 December 2017, a total of approximately HK$67.9 million rental revenue was derived from this building.

Chong Yip Centre

Chong Yip Centre is located at 402–404 Des Voeux Road West. It provides over 54,000 square feet of retail and commercial space. For the year ended 31 December 2017, this retail and commercial shopping center generated rental revenue of approximately HK$20.9 million, slightly decreased by 1.4% when comparing to that of 2016. The occupancy was decreased to 71% as at 31 December 2017. The management has been intensively 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. The group owns 5 residential units, each of areas over 4,100 square feet, luxury apartment on a low-rise building. For the year ended 31 December 2017, Fairview Court recorded rental revenue of approximately HK$3.1 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 86% let in terms of office space and 100% let in terms of retail space as at year ended. For the year ended 31 December 2017, this office building generated rental revenue of approximately HK$144.3 million, representing an increase of 2%.

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 came to the final stage and the occupation permit was scheduled to be obtained in the first half of 2018. Total renovation costs including professional fee amounted to approximately of HK$499 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 is being developed by phases. As at today, Phase 1, 2 and 3 were completed. For Phase 4, construction already commenced in the third quarter of 2016 and is scheduled to be completed in 2018.

Financial and Sale results

For the year ended 31 December 2017, the Group recorded sale revenue of approximately HK$1,694.5 million, increased by approximately HK$1,206.1 million from HK$488.4 million in 2016, representing an increase of 247%. This is due to the revenue and profit recognition for Grand Jardin Phase 3.

The Grand Riviera, Foshan (Phase 1)

As at 7 March 2018, a total of 785 residential units (representing 93% of the total units) and 393 car parking units (representing 35% of the total units) were successfully sold generating total sale proceeds of approximately RMB711.8 million and RMB55.2 million, respectively.

Grand Jardin, Foshan (Phase 2 and 3)

As at 7 March 2018, all 1,542 residential units and 477 car parking units (representing 43% of the total units for sale) of Phase 2 were successfully sold returning total sale proceeds of approximately RMB932.3 million and RMB68.9 million, respectively.

For Phase 3, all 1,498 residential units were successfully sold out returning sale proceeds of approximately RMB1,130.8 million. As the construction of Phase 3 was completed on schedule, the flats have been started to handover to the buyers since October 2017, and thus the sale results of Phase 3 were recognized in the fourth quarter 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 1,377 residential units with developable areas over 156,000 square metres. Including the retail and commercial areas of approximately 5,900 square metres, other amenities areas of approximately 7,700 square metres and 1,227 car parking spaces mainly built at the basement level, the total developable areas of Phase 4 is over 216,000 square metres. For the size of residential units, it provided four typical sizes with areas of 90, 100, 130 and 140 square metres. Construction work has commenced since the third quarter of 2016.

As at 7 March 2018, 924 residential units (representing 97% of the total units put up for pre-sale) were successfully sold, generating total sale proceeds of approximately RMB1,179.7 million.

If all of the remaining (unsold) properties including residential units, retail shops and car parks, could be sold under the current market situation, it is estimated that the Group would receive further total sale proceeds of approximately HK$2 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 year ended 31 December 2017, hotel revenue decreased by 35% from approximately of HK$17 million in 2016 to approximately HK$11 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.

Investment in Japanese Warehouse

In November 2017, the Group acquired 50% of the issued share capital of a company which in turn beneficially owned two warehouses in Japan. The management regarded the investment would bring the Group's a stable rental return together with a long term appreciation of the properties given the good management team, quality of tenants and the fast growing logistic business relating to 2020 Tokyo Olympic. Total investment for this project amounted to approximately HK$191 million.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the financial year ended 31 December 2017, the Company has substantially complied with the provisions of the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), save for the following:

Appointments, Re-election and Removal: Rotation at least once every three years

Code provision A.4.2 stipulates that every director shall be subject to retirement by rotation at least once every three years. Under the existing Company's articles of association, all directors are subject to retirement by rotation except the Managing Director who shall not be subject to retirement by rotation under Articles 113 of the Company's articles of association.

CHANGES OF DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Below is the changes of directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2017 Interim Report:

Directors' Updated Information

Mr. Tong, Tsun Sum Eric was appointed as an Independent Non-executive Director of the Company with effect from 7 March 2018.

Mr. Cheng Yuk Wo, an Independent Non-executive Director of the Company, was appointed as an Independent Non-executive Director of Kidsland International Holdings Limited with effect from 10 November 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 OF 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 year ended 31 December 2017, the Company and its subsidiaries have not purchased, sold or redeemed any of the shares in the Company.

AUDIT COMMITTEE

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

The committee comprised four members, namely Mr. Cheng Yuk Wo (Chairman), Dr. Cheng Mo Chi, Moses, Mr. Au Kam Yuen, Arthur and Mr. Tong, Tsun Sum Eric, 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 2017 before they presented the same to the Board of Directors for approval.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2017.

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 Tuesday, 15 May 2018, at 11:00 a.m.. The Notice of the AGM will be published on the websites of the Company and the HKExnews and despatched to Shareholders on or about 29 March 2018.

CLOSURE OF REGISTER OF MEMBERS FOR THE ENTITLEMENT OF ATTENDING AND VOTING AT 2018 AGM

For the purpose of determining shareholders who are entitled to attend and vote at the 2018 Annual General Meeting to be held on Tuesday, 15 May 2018 ("2018 AGM"), whose name should be recorded in the Company's shareholders book on Tuesday, 15 May 2018. The Register of Members of the Company will be closed from Thursday, 10 May 2018 and Tuesday, 15 May 2018, both days inclusive. In order to qualify for attending and voting at the 2018 AGM, all share certificates with completed transfer forms either overleaf or separately must be lodged 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 for registration not later than 4:30 p.m. on Wednesday, 9 May 2018.

BOARD OF DIRECTORS

As at the date of this announcement, the Board of Directors of the Company comprises Executive Directors: Mr. Liu Lit Chi (Chairman, Managing Director and Chief Executive Officer), Mr. Liu Kam Fai, Winston (Deputy Managing Director), Mr. Liu Kwun Shing, Christopher (also alternate director to Dr. Liu Lit Chung) and Mr. Lee Wai Hung; Non-executive Directors: Dr. Liu Lit Chung and Mr. Kho Eng Tjoan, Christopher; and Independent Non-executive Directors: Dr. Cheng Mo Chi, Moses, Mr. Au Kam Yuen, Arthur, Dr. Ma Hung Ming, John, Mr. Cheng Yuk Wo and Mr. Tong, Tsun Sum Eric.

By Order of the Board
Liu Chong Hing Investment Limited
Liu Lit Chi
Chairman, Managing Director and
Chief Executive Officer

Hong Kong, 7 March 2018

The Company's 2017 Annual Report, containing the Directors' Report, Financial Statements for the year ended 31 December 2017 and the Notice of Annual General Meeting, together with the circular and the Form of Proxy will be despatched to shareholders on or about 29 March 2018. 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.