Liu Chong Hing Investment Limited

(Incorporated in Hong Kong with limited liability)

(Stock code: 00194)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

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 2020.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2020

		Six months ended 30 June	
		2020	2019
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*3*		
Contracts with customers		**197,370**	604,790
Rental income		**156,620**	173,424
Interest and dividend income		**35,158**	42,809
		389,148	821,023
Direct costs		**(163,858)**	(411,306)
		225,290	409,717
Other income		**11,407**	7,286
Administrative and operating expenses		**(109,020)**	(109,580)
Other gains and losses		**(71,171)**	92,275
Finance costs		**(26,359)**	(17,739)
Share of results of joint ventures		**10,513**	10,989
Profit before tax		**40,660**	392,948
Income tax expense	*4*	**(19,429)**	(82,566)
Profit for the period		**21,231**	310,382
Profit for the period attributable to:			
Owners of the Company		**17,375**	298,180
Non-controlling interests		**3,856**	12,202
		21,231	310,382
Basic earnings per share	*5*	**HK$0.05**	HK$0.79

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2020

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**21,231**	310,382
Other comprehensive expense		
Item that will not be reclassified to profit or loss:		
Fair value losses on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")	**(76,316)**	(2,887)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(87,203)**	(14,525)
Share of other comprehensive expense of joint ventures	**(347)**	(66)
Other comprehensive expense for the period (net of tax)	**(163,866)**	(17,478)
Total comprehensive (expense) income for the period	**(142,635)**	292,904
Total comprehensive (expenses) income attributable to:		
Owners of the Company	**(141,648)**	281,835
Non-controlling interests	**(987)**	11,069
	(142,635)	292,904

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

	Notes	**30 June 2020 *HK$'000* (unaudited)**	31 December 2019 *HK$'000* (audited)
Non-current assets			
Investment properties		**8,688,987**	8,771,446
Property, plant and equipment		**1,424,002**	1,457,320
Right-of-use assets		**8,197**	10,757
Interests in joint ventures		**299,506**	307,843
Investments in securities		**466,261**	543,952
Deferred tax assets		**27,472**	27,472
		10,914,425	11,118,790
Current assets			
Properties under development for sale		**889,753**	895,424
Properties held for sale		**591,562**	686,117
Inventories		**23,880**	25,455
Trade and other receivables	*7*	**81,799**	84,174
Contract costs		**1,576**	3,815
Investments in securities		**31,760**	18,097
Taxation recoverable		**–**	27
Fixed bank deposits with more than three months to maturity when raised		**74,093**	13,284
Bank balances and cash		**1,864,136**	2,039,861
		3,558,559	3,766,254
Current liabilities			
Trade and other payables	*8*	**356,688**	448,258
Lease liabilities		**4,207**	4,837
Contract liabilities		**154**	46,965
Derivative financial instruments		**5,947**	7,065
Taxation payable		**30,050**	40,790
Borrowings — due within one year		**474,591**	491,350
		871,637	1,039,265
Net current assets		**2,686,922**	2,726,989
Total assets less current liabilities		**13,601,347**	13,845,779

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(continued)
As at 30 June 2020

	Notes	30 June 2020 HK$'000 (unaudited)	31 December 2019 HK$'000 (audited)
Non-current liabilities			
Other payables	*8*	**94,720**	93,373
Lease liabilities		**4,276**	6,151
Borrowings — due within one year		**1,088,424**	1,018,384
Derivative financial instruments		**719**	776
Deferred tax liabilities		**242,885**	256,875
		1,431,024	1,375,559
		12,170,323	12,470,220
Equity			
Share capital		**381,535**	381,535
Reserves		**11,726,990**	12,012,500
Equity attributable to:			
Owners of the Company		**12,108,525**	12,394,035
Non-controlling interests		**61,798**	76,185
Total equity		**12,170,323**	12,470,220

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2020

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") as well as 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 2019 that is included in these 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 is as follows:

The Company has delivered the consolidated financial statements for the year ended 31 December 2019 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (the "Companies Ordinance").

The Company's auditor has reported on those consolidated financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the 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.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2019.

Application of amendments to HKFRSs

In the current interim period, the Group has applied *the Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of *the Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the 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 HKFRS 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 and food & beverage business

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 six months ended 30 June 2020									
Segment revenue	159,661	143,939	16,655	35,158	29,204	14,097	398,714	(9,566)	389,148
Comprising:									
— revenue from customers	156,620	143,939	10,718	35,158	29,204	13,509			
— inter-segment transactions *(note)*	3,041	–	5,937	–	–	588			
Operating expenses	(65,621)	(79,557)	(9,605)	(22,316)	(28,324)	(65,614)	(271,037)	9,566	(261,471)
Loss on changes in fair value of investment properties	(51,132)	–	–	–	–	–	(51,132)	–	(51,132)
Loss on changes in fair value of financial assets at fair value through profit or loss ("FVTPL")	–	–	–	(1,937)	–	–	(1,937)	–	(1,937)
Gain on changes in fair value of derivative financial instruments	–	–	–	807	–	–	807	–	807
Loss on disposal of property, plant and equipment	(56)	–	–	–	–	–	(56)	–	(56)
Net exchange (losses) gains	(3,490)	(9,818)	94	(5,639)	–	–	(18,853)	–	(18,853)
Segment profit (loss)	39,362	54,564	7,144	6,073	880	(51,517)	56,506	–	56,506
Share of results of joint ventures									10,513
Finance costs									(26,359)
Profit before tax									40,660

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 six months ended 30 June 2019									
Segment revenue	175,547	552,013	18,442	42,809	34,521	7,077	830,409	(9,386)	821,023
Comprising:									
— revenue from customers	173,424	552,013	11,179	42,809	34,521	7,077			
— inter-segment transactions *(note)*	2,123	–	7,263	–	–	–			
Operating expenses	(72,255)	(383,003)	(10,430)	(19,542)	(31,957)	(5,799)	(522,986)	9,386	(513,600)
Gain on changes in fair value of investment properties	93,516	–	–	–	–	–	93,516	–	93,516
Gain on changes in fair value of financial assets at FVTPL	–	–	–	3,852	–	–	3,852	–	3,852
Loss on changes in fair value of derivative financial instruments	–	–	–	(2,836)	–	–	(2,836)	–	(2,836)
Loss on disposal of property, plant and equipment	–	(322)	–	–	–	–	(322)	–	(322)
Net exchange (losses) gains	(665)	(483)	19	(806)	–	–	(1,935)	–	(1,935)
Segment profit	196,143	168,205	8,031	23,477	2,564	1,278	399,698	–	399,698
Share of results of joint ventures									10,989
Finance costs									(17,739)
Profit before tax									392,948

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

Segment profit (loss) represents the profit earned (loss incurred) by each segment without allocation of share of results of joint ventures and finance costs. In addition, the Group's administrative costs 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. INCOME TAX EXPENSE

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
The charge comprises:		
Current tax:		
Hong Kong Profits Tax	**5,202**	7,333
The People's Republic of China ("PRC") Enterprise Income Tax	**14,266**	56,530
	19,468	63,863
Dividend withholding tax	**9,657**	15,777
(Over)underprovision in prior years:		
Hong Kong Profits Tax	**–**	(30)
PRC Enterprise Income Tax	**–**	200
	–	170
PRC Land Appreciation Tax ("LAT")	**3,586**	10,694
Deferred taxation	**(13,282)**	(7,938)
	19,429	82,566

Notes:

(a) On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the condensed consolidated financial statements. 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.

5. 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$17,375,000 (six months ended 30 June 2019: HK$298,180,000) and on 378,583,440 (30 June 2019: 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.

6. DIVIDENDS

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
Dividends recognised as distribution during the period:		
Final dividend declared and paid for 2019 — HK$0.38 per share (2019: declared and paid for 2018 HK$0.48 per share)	**143,862**	181,720
Dividend declared in respect of current period:		
Interim dividend declared for 2020 — HK$0.15 per share (2019: HK$0.22 per share)	**56,788**	83,288

On 6 August 2020, the Board of Directors has approved an interim cash dividend of HK$0.15 per share (2019: HK$0.22 per share), which will be paid to the Company's shareholders whose names appear on the Register of Members on 3 September 2020.

7. TRADE AND OTHER RECEIVABLES

	30 June 2020	31 December 2019
	HK$'000	*HK$'000*
Trade receivables	**21,438**	23,102
Deposits paid	**8,626**	8,406
Prepayments and other receivables	**51,735**	52,666
	81,799	84,174

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 to 90 days. The aged analysis of trade receivables presented based on the invoice date at the end of the reporting period is as follows:

	30 June 2020 *HK$'000*	31 December 2019 *HK$'000*
Within 30 days	**7,335**	8,147
Between 31 days to 90 days	**8,964**	11,104
Over 90 days	**5,139**	3,851
	21,438	23,102

8. TRADE AND OTHER PAYABLES

	30 June 2020 *HK$'000*	31 December 2019 *HK$'000*
Trade payables	**7,514**	10,560
Construction costs and retention payables	**146,751**	208,080
Deposits received and receipt in advance in respect of rental of investment properties	**127,250**	148,006
Deposits received *(note)*	**130,762**	143,127
Advance lease payments	**5,023**	5,716
Other payables	**34,108**	26,142
	451,408	541,631
Less: Amount due for settlement within 12 months shown under current liabilities	**(356,688)**	(448,258)
Amount due for settlement after 12 months shown under non-current liabilities	**94,720**	93,373

note: The amounts represent refundable deposits received from subcontractors for the purpose of securing their performance in respect of construction contracts in favour of the Group.

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

	30 June 2020 *HK$'000*	31 December 2019 *HK$'000*
Within 30 days	**7,514**	10,560

INTERIM DIVIDEND

The Board of Directors has resolved to declare an interim cash dividend for 2020 of HK$0.15 per share (2019: HK$0.22 per share), payable on Friday, 11 September 2020 to the Company's shareholders registered on Thursday, 3 September 2020.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 1 September 2020 to Thursday, 3 September 2020, 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, 31 August 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

For the period ended 30 June 2020, the Group recorded unaudited consolidated profit of approximately HK$21.2 million, comparing to that of 2019 amounted to approximately HK$310.4 million, representing a decrease of approximately HK$289.2 million. The change was mainly due to the substantial decrease of fair value changes of investment properties, less property development profit and the operating loss from hotel and F&B business recorded in the period.

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 incomes other than the main revenue.

Other gains and losses mainly comprised of loss on changes in fair value of investment properties and net exchange losses.

Property Investment

Overall Rental Revenue

For the period ended 30 June 2020, the Group recorded gross rental revenue of approximately HK$156.6 million, decreased by approximately HK$16.8 million from approximately of HK$173.4 million in the corresponding period of 2019, representing a decrease of 9.7%.

Overall Occupancies

The Group's overall occupancy from major investment properties maintained 75% as at 30 June 2020.

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 period ended 30 June 2020, Chong Hing Square generated rental revenue of approximately HK$47.0 million, decreased by HK$11.9 million from approximately of HK$58.9 million in the corresponding period of 2019. The occupancy was 83% as at 30 June 2020.

Chong Hing Bank Centre

Chong Hing Bank Centre, located at 24 Des Voeux Road Central, is a 26-storey Grade A office building. For the period ended 30 June 2020, Chong Hing Bank Centre generated rental revenue of approximately HK$48.6 million, increased by HK$14.6 million from approximately of HK$34.0 million in 2019. The change was due to rental revision.

The Company, having retained several floors for the Group's own use, had entered into another 5-year fixed lease (starting from 19 February 2019) with Chong Hing Bank Limited at a monthly rental of HK$7.98 million from HK$5.66 million, representing an increase of 41%. The management regarded the new tenancy would bring stable and good rental return to the Group.

Chong Yip Centre

Chong Yip Centre is located at 402–404 Des Voeux Road West. In 2019, the management had decided to revamp the mall for gaining higher rental return. The modern and chic concepts bringing more trendy retails and F&B outlets would be the main theme of this new shopping mall. After renovation, the management expected this shopping mall would be one of the young and popular malls in the western district.

Management and project team scheduled 18-month construction period to complete the project. Total renovation cost was amounted to approximately of HK$140 million and all expenditures are funded by internal resources. No rental revenue was generated from this property during the period under review.

Fairview Court

Fairview Court is located at 94 Repulse Bay Road. The Group owns 5 units, each of areas over 4,100 square feet, luxury apartment on a low-rise building. For the period ended 30 June 2020, Fairview Court recorded rental revenue of approximately HK$3.3 million, it records net rental revenue of HK$1.7 million after rental elimination. This property recorded 80% occupancy as at 30 June 2020.

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 65% let in terms of office space and 83% let in terms of retail space as at period end. For the period ended 30 June 2020, this office building after taking exchange translation, generated rental revenue of approximately HK$55.1 million, representing a decrease of 16%.

The management will continue to improve the occupancy despite the over supply of office building in Puxi district and the adverse affect to Chinese economy caused by the unprecedented COVID-19 pandemic.

Property Development

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

This Foshan residential project is a comprehensive development and is developed by phases. The whole project, including Phase 1 to Phase 4, was completed and handover for occupation in September 2018.

Financial and Sale Results

For the period ended 30 June 2020, the Group recorded sale revenue of approximately HK$143.9 million of which 55 residential units and 164 carpark units were sold and recognized under consolidated statement of profit or loss.

As at 30 June 2020, a total of 5,136 residential units out of total 5,264 units (representing 98%) and a total of 1,437 carpark units out of total 4,669 units (representing 31%) were successfully sold out fetching accumulated sale proceeds of approximately HK$5.4 billion. The management forecast that further sale proceeds of approximately HK$1.2 billion would be received if all unsold properties including residential units, carparks and retail shops were sold under current market conditions.

Acquisition of Land-use Rights in Sanshui District

The Group, through an indirect wholly owned subsidiary, Top New Investment Limited, acquired a piece of land at Sanshui district of Foshan by open land auction on 15 May 2019 for cash consideration of RMB775.5 million. The site area of the land is approximately 33,670.06 sq.m. with plot ratio of 3.2 times, providing total construction area over 140,000 sq.m..

Up to the date of the board meeting, the site was handed over to our group. The preliminary site measurement and boundary protection had been done. Construction work is scheduled to commence in the fourth quarter of 2020.

HOTEL OPERATIONS

PRC

Budget Hotel

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. 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. For the period ended 30 June 2020, the budget hotel revenue decreased by 66% from approximately of HK$7.1 million in 2019 to approximately of HK$2.4 million in 2020. The management expects the budget hotel business will be recovering in the second half of 2020.

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 converted into a 183-room hotel and serviced residences. The hotel was in full operation after obtaining the hotel license on 2 December 2019.

Apart from providing 183 guest rooms (room size ranging from 330 sq.ft. to 1,080 sq.ft.), other facilities include two restaurants, named *The Common Room* and *The Tea Room*, gym room, spa room, multi-functions room, sky lounge bar (soon to be opened) and a wide range of services and amenities. The two restaurants started operation in the fourth quarter of 2019. For the period ended 30 June 2020, the hotel and F&B business recorded a gross revenue of HK$11.1 million but incurred a net operating loss of HK$50.7 million after including depreciation of HK$30.4 million. The management had taken up numerous measures to improve the hotel occupancy and F&B business and expect to see a better result in the second half of 2020.

SHARE OF RESULTS OF JOINT VENTURES

Since the year of 2018, the Group teamed up with the same joint venture partner, in addition to the investment in 2017, to acquire one more warehouse (now in total 3 warehouses) in Japan and one manufacturing plant in Australia. For the period ended 30 June 2020, all these warehouses and manufacturing plant continued to maintain stable rental revenue with 100% occupancy.

The management regarded the investment would bring the Group's a stable return together with a long term appreciation of properties. The share of results of joint ventures of approximately HK$10.5 million, under equity accounting, represented the 50% share of net asset value of the investment which mainly included the annual rental revenue.

THE CORPORATE GOVERNANCE CODE

During the period under review, 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"), saved for the following.

Chairman and Managing Director: Clear Division of Responsibilities

The roles of Chairman and the Managing Director of the Company have not been segregated as required by the code provision A.2.1 of the Code. The Board considers this arrangement is in the best interest of the Company that by nature of the group's business which requires considerable market expertise and Mr. Liu Lit Chi, with his profound expertise in the property and banking industry, shall continue in his dual capacity as the Chairman and Managing Director.

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 2019 Annual Report:

Directors' Updated Information

Mr. Cheng Yuk Wo, an Independent Non-executive Director of the Company, resigned as Independent Non-executive Director of DTXS Silk Road Investment Holdings Company Limited with effect from 29 May 2020.

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.

THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

All directors have confirmed that they have 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 of the Listing Rules throughout the review period.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the six months ended 30 June 2020, the Company and its subsidiaries have not purchased, sold or redeemed any of the shares of 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 2020 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 2020 will be dispatched to the shareholders of the Company and available on the above websites on or about 30 August 2020.

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), and Mr. Lee Wai Hung; Non-executive Director: 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, 6 August 2020