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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 2024

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 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		2024	2023
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3		
Contracts with customers		551,921	378,057
Rental income		302,363	302,062
Interest and dividend income		78,745	52,192
		933,029	732,311
Direct costs		(437,430)	(874,804)
		495,599	(142,493)
Other income		8,251	13,914
Administrative and operating expenses		(381,822)	(332,745)
Other gains and losses		(749,654)	(307,232)
Finance costs		(191,794)	(138,495)
Share of results of joint ventures		(46,234)	22,095
Loss before tax		(865,654)	(884,956)
Income tax credit	4	25,296	11,869
Loss for the year		(840,358)	(873,087)
Loss for the year attributable to:			
Owners of the Company		(837,056)	(814,937)
Non-controlling interests		(3,302)	(58,150)
		(840,358)	(873,087)
Basic loss per share	5	HK\$(2.21)	HK\$(2.15)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2024 HK\$'000	2023 <i>HK\$'000</i>
Loss for the year	<u>(840,358)</u>	<u>(873,087)</u>
Other comprehensive expense		
<i>Item that will not be reclassified to profit or loss:</i>		
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")	(14,532)	(3,364)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	(98,731)	(61,547)
Share of other comprehensive expense of joint ventures	<u>(7,346)</u>	<u>(46)</u>
Other comprehensive expense for the year (net of tax)	<u>(120,609)</u>	<u>(64,957)</u>
Total comprehensive expense for the year	<u>(960,967)</u>	<u>(938,044)</u>
Total comprehensive expense attributable to:		
Owners of the Company	(954,263)	(877,544)
Non-controlling interests	<u>(6,704)</u>	<u>(60,500)</u>
	<u>(960,967)</u>	<u>(938,044)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>NOTES</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current assets			
Investment properties		9,828,109	9,611,370
Property, plant and equipment		653,163	1,762,836
Right-of-use assets		6,405	1,769
Interests in joint ventures		534,545	635,080
Equity instruments at FVTOCI		234,525	272,456
Other receivables		27,236	—
Deferred tax assets		29,034	20,809
		11,313,017	12,304,320
Current assets			
Properties under development for sale		462,177	865,772
Properties held for sale		644,947	409,861
Inventories		33,702	32,418
Trade and other receivables	7	194,098	168,554
Financial assets at fair value through profit or loss (“FVTPL”)		15,065	14,732
Derivatives financial instruments		2,001	—
Fixed bank deposits with more than three months to maturity when raised		192,296	45,085
Cash and cash equivalents		2,034,271	1,156,972
		3,578,557	2,693,394
Current liabilities			
Trade and other payables	8	442,744	439,684
Lease liabilities		5,561	1,122
Contract liabilities		50,820	2,235
Borrowings — due within one year		1,225,123	1,774,569
Taxation payable		137,868	138,425
		1,862,116	2,356,035
Net current assets		1,716,441	337,359
Total assets less current liabilities		13,029,458	12,641,679

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

	<i>NOTE</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current liabilities			
Other payables	8	95,153	109,890
Lease liabilities		1,007	731
Borrowings — due after one year		2,136,444	628,783
Deferred tax liabilities		259,240	297,691
		<u>2,491,844</u>	<u>1,037,095</u>
		<u>10,537,614</u>	<u>11,604,584</u>
Equity			
Share capital		381,535	381,535
Reserves		10,124,989	11,185,255
Equity attributable to:			
Owners of the Company		10,506,524	11,566,790
Non-controlling interests		31,090	37,794
Total equity		<u>10,537,614</u>	<u>11,604,584</u>

NOTES:

1. GENERAL INFORMATION

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 Voeux 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 2024 and 2023 included in this preliminary announcement of annual results for the year ended 31 December 2024 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 2023 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 2024 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 amendments to HKFRSs

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual periods beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to Hong Kong Accounting Standard ("HKAS") 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on 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. During the prior year, the CODM identified a new geographical property investment segment located in the UK which is aggregated in property investment segment. No operating segments identified by the CODM have been aggregated in arriving at the reportable segment of the Group.

Specifically, the Group's 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 hotel and food & beverage business

During the current year, the Group's owner-occupied property for hotel operation in Hong Kong was transferred to investment properties upon commencement of the operating lease. The result of the hotel operation prior to the commencement of operating lease was included in hotel operation segment.

Segment revenue and results

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

	Property investment <i>HK\$'000</i>	Property development <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Treasury investment <i>HK\$'000</i>	Trading and manufacturing <i>HK\$'000</i>	Hotel operation <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<u>For the year ended 31 December 2024</u>									
Segment revenue	304,444	223,719	48,514	78,745	89,047	205,817	950,286	(17,257)	933,029
Comprising:									
— revenue from customers	302,363	223,719	33,533	78,745	89,047	205,622			
— inter-segment transactions (<i>note</i>)	2,081	—	14,981	—	—	195			
Operating expenses	(165,522)	(271,152)	(34,569)	(32,399)	(82,312)	(242,304)	(828,258)	17,257	(811,001)
Loss on transfer from property, plant and equipment and changes in fair value of investment properties	(718,148)	—	—	—	—	—	(718,148)	—	(718,148)
Loss on changes in fair value of financial assets at FVTPL	—	—	—	(2,298)	—	—	(2,298)	—	(2,298)
Loss on disposal of property, plant and equipment	—	—	—	—	(88)	(208)	(296)	—	(296)
Loss on disposal of a subsidiary	(446)	—	—	—	—	—	(446)	—	(446)
Gain from changes in fair value of derivative financial instruments	—	—	—	2,001	—	—	2,001	—	2,001
Net exchange gains (losses)	793	(1,752)	121	(29,637)	—	8	(30,467)	—	(30,467)
Segment (loss) profit	<u>(578,879)</u>	<u>(49,185)</u>	<u>14,066</u>	<u>16,412</u>	<u>6,647</u>	<u>(36,687)</u>	<u>(627,626)</u>	<u>—</u>	<u>(627,626)</u>
Finance costs									(191,794)
Share of results of joint ventures									<u>(46,234)</u>
Loss before tax									<u>(865,654)</u>

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

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

	Property investment <i>HK\$'000</i>	Property development <i>HK\$'000</i>	Property management <i>HK\$'000</i>	Treasury investment <i>HK\$'000</i>	Trading and manufacturing <i>HK\$'000</i>	Hotel operation <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<u>For the year ended 31 December 2023</u>									
Segment revenue	307,022	66,741	46,046	52,192	82,939	197,950	752,890	(20,579)	732,311
Comprising:									
— revenue from customers	302,062	66,741	31,114	52,192	82,939	197,263			
— inter-segment transactions (note)	4,960	—	14,932	—	—	687			
Operating expenses	(172,908)	(653,389)	(33,498)	(33,734)	(76,805)	(243,880)	(1,214,214)	20,579	(1,193,635)
Loss on changes in fair value of investment properties	(297,478)	—	—	—	—	—	(297,478)	—	(297,478)
Loss on changes in fair value of financial assets at FVTPL	—	—	—	(4,134)	—	—	(4,134)	—	(4,134)
Loss on disposal of property, plant and equipment	(63)	(274)	—	—	(90)	(3,029)	(3,456)	—	(3,456)
Net exchange gains (losses)	10,903	(6,189)	78	(8,290)	—	1,334	(2,164)	—	(2,164)
Segment (loss) profit	<u>(152,524)</u>	<u>(593,111)</u>	<u>12,626</u>	<u>6,034</u>	<u>6,044</u>	<u>(47,625)</u>	<u>(768,556)</u>	<u>—</u>	<u>(768,556)</u>
Finance costs									(138,495)
Share of results of joint ventures									<u>22,095</u>
Loss before tax									<u>(884,956)</u>

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

Segment (loss) profit represents the loss incurred from/profit earned 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 revenue earned by individual operating segment. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

4. INCOME TAX CREDIT

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The charge (credit) comprises:		
Current tax:		
Hong Kong Profits Tax	7,104	6,090
PRC Enterprise Income Tax ("EIT")	3,368	2,610
UK Corporation Tax	1,226	3,466
	<u>11,698</u>	<u>12,166</u>
Overprovision in prior years:		
Hong Kong Profits Tax	(12)	(30)
PRC EIT	(1,343)	(3,513)
	<u>(1,355)</u>	<u>(3,543)</u>
PRC Land Appreciation Tax ("LAT")	<u>6,081</u>	<u>3,516</u>
Deferred taxation	<u>(41,720)</u>	<u>(24,008)</u>
	<u><u>(25,296)</u></u>	<u><u>(11,869)</u></u>

Notes:

- (a) The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 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% for both years.
- (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.
- (d) The applicable UK corporation tax rate for the year ended 31 December 2024 is 25%.

5. BASIC LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately HK\$837,056,000 (2023: HK\$814,937,000) and on 378,583,440 (2023: 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 ended 31 December 2024 and 31 December 2023.

6. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
Interim dividend paid for 2024 — HK\$0.11 per share (2023: interim dividend paid for 2023 — HK\$0.11 per share)	41,644	41,644
Final dividend paid for 2023 — HK\$0.17 per share (2023: final dividend paid for 2022 — HK\$0.20 per share)	<u>64,359</u>	<u>75,717</u>
	<u>106,003</u>	<u>117,361</u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2024 of HK\$0.17 (2023: final dividend in respect of the year ended 31 December 2023 of HK\$0.17) per share, in an aggregate amount of approximately HK\$64,359,000 (2023: HK\$64,359,000) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

7. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	34,115	32,103
Lease receivables	<u>4,902</u>	<u>5,825</u>
	39,017	37,928
Deposits paid	5,271	9,712
Other receivables and prepayments	126,993	65,039
VAT receivables	<u>50,053</u>	<u>55,875</u>
	<u>221,334</u>	<u>168,554</u>
Current	194,098	168,554
Non-current	<u>27,236</u>	<u>—</u>
	<u>221,334</u>	<u>168,554</u>

As at 1 January 2023, trade receivables from contracts with customers amounted to HK\$39,138,000.

notes:

- (a) Considerations in respect of sold properties are payable by the purchasers pursuant to the terms of the sale and purchase agreements. There is no credit period given on billing for rental of properties. Monthly rent are payable in advance by the tenants. Trade customers or tenants settle their accounts with an average credit period of 30 to 90 days. The aged analysis of trade receivables and lease receivables of approximately HK\$39,017,000 (2023: HK\$37,928,000) presented based on the invoice date at the end of the reporting period is as follows:

	2024 HK\$'000	2023 HK\$'000
Within 30 days	13,445	18,765
Between 31 days to 90 days	17,086	14,822
Over 90 days	8,486	4,341
	39,017	37,928

- (b) As at 31 December 2024, included in the trade receivable and lease receivables balance are debtors with aggregate carrying amount of HK\$7,893,000 (2023: HK\$9,294,000) which are past due as at the reporting date. Out of the past due balances, debtors with an aggregate carrying amount of approximately HK\$2,922,000 (2023: HK\$2,505,000) were past due and aged over 90 days at the end of reporting period but the Group has not provided for impairment loss. Debtors that were past due but not impaired related to a number of customers that have a good track record of credit with the Group. Based on past credit history, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered to be fully recoverable. The Group does not hold any collateral over these balances.
- (c) All of the Group's trade receivables and lease receivables are denominated in the functional currency of the individual entities within the Group.

8. TRADE AND OTHER PAYABLES

	2024 HK\$'000	2023 HK\$'000
Trade payables	9,158	10,908
Construction costs and retention payables	143,607	135,804
Deposits received in respect of rental of investment properties	121,321	139,156
Rentals receipt in advance	9,351	8,613
Deposits received (<i>note</i>)	147,444	151,249
Other payables	107,016	103,844
	<u>537,897</u>	<u>549,574</u>
Less: Amount due for settlement within 12 months shown under current liabilities	<u>(442,744)</u>	<u>(439,684)</u>
Amount due for settlement after 12 months shown under non-current liabilities	<u>95,153</u>	<u>109,890</u>

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.

	2024 HK\$'000	2023 HK\$'000
Within 30 days	<u>9,158</u>	<u>10,908</u>

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

FINAL DIVIDEND

The Board of Directors proposes to recommend a final cash dividend for the year ended 31 December 2024 of HK\$0.17 (2023: HK\$0.17) per share together with the interim cash dividend of HK\$0.11 (2023: HK\$0.11) per share paid on 13 September 2024, makes a total cash dividend of HK\$0.28 (2023: HK\$0.28) per share. The proposed final cash dividend, if approved by the shareholders at the forthcoming Annual General Meeting to be held on Thursday, 22 May 2025, will be paid on Friday, 6 June 2025 to the Company's shareholders registered on Friday, 30 May 2025.

CLOSURE OF REGISTER OF MEMBERS FOR THE ENTITLEMENT OF 2024 FINAL DIVIDEND

For the purpose of determining shareholders who qualify for the 2024 final dividend, whose name should be recorded in the Company's shareholders book on Friday, 30 May 2025. The Register of Members of the Company will be closed from Wednesday, 28 May 2025 to Friday, 30 May 2025, 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 Registrar, 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 Tuesday, 27 May 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended 31 December 2024, the audited consolidated losses of the Company and its subsidiaries amounted to approximately HK\$840.4 million, reflecting a reduction of HK\$32.7 million compared to the HK\$873.1 million loss recorded in 2023.

The loss result was primarily driven by a fair value loss of approximately HK\$718.1 million on investment properties and loss on transfer from property, plant and equipment for the year ended 31 December 2024, compared to a loss of approximately HK\$297.5 million recorded in the previous year. This increase in fair value loss includes the impact of reclassifying of a hotel from Property, Plant and Equipment to Investment Property. It is crucial to note that these fair value losses are non-cash items and do not affect the Group's operating cash flow.

Despite these challenges, the Group maintains a strong financial and healthy business position. The management continues to review our operations and will adapt the business model as necessary to ensure sustained growth and market resilience.

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 losses on changes in fair value of investment properties and net exchange gains (losses).

PROPERTY INVESTMENT

Overall Rental Revenue

For the year ended 31 December 2024, the Group recorded gross rental revenue of approximately HK\$302.4 million, increased by approximately HK\$0.3 million from approximately HK\$302.1 million in the year of 2023, slightly increased by 0.1%.

Overall Occupancies

The Group's overall occupancy of major investment properties maintained at 83.5% as of 31 December 2024.

HK Properties

Chong Hing Square

Chong Hing Square, located at 601 Nathan Road Mongkok, is a 20-storey ginza-type retail/commercial development that offers over 182,000 square feet of retail and commercial space. For the year ended 31 December 2024, Chong Hing Square generated a gross rental revenue of approximately HK\$59.7 million, increased by approximately HK\$3.1 million from approximately HK\$56.6 million in 2023. The occupancy was 96% as at 31 December 2024.

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 the Company's use, this office building was leased to Chong Hing Bank Limited. On 24 March 2023, Chong Hing Bank Limited exercised its option to renew the lease for another five years, commencing from 19 February 2024 to 18 February 2029, at a monthly rental of HK\$6.08 million. The management considered that Chong Hing Bank Limited as a long-term strategic partner of the Group. Taking into account the tenant's strong financial background, the surrounding office supply and the future economic development, the management is confident that the renewal of the lease will ensure long-term success and competitiveness of the Group.

For the year ended 31 December 2024, Chong Hing Bank Centre has generated rental revenue of approximately HK\$77.9 million, decreased by HK\$19.2 million from approximately HK\$97.1 million in 2023. Despite this decline, the management believes that the tenancy would bring stable and consistent income stream for the Group.

The Rockpool

The Rockpool, situated at 402–404 Des Voeux Road West, underwent a comprehensive revamp in 2019. The mall was transformed into a trendy community mall serving the local neighborhood, providing numerous different brands of retailers and F&B outlets.

For the year ended 31 December 2024, The Rockpool generated gross rental revenue of approximately HK\$15.5 million, increased by HK\$2.1 million from approximately HK\$13.4 million in 2023. As of today, the mall achieved an occupancy of 88% and carpark spaces were fully leased.

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 year ended 31 December 2024, Fairview Court recorded rental revenue of approximately HK\$2.6 million, decreased by HK\$0.5 million from HK\$3.1 million in 2023. This property recorded 80% occupancy as of 31 December 2024.

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, including office and commercial spaces and 198 carparks, the property was approximately 75% leased for office space and 83% leased for retail space as of the year end. For the year ended 31 December 2024, this office building, after accounting for exchange rate translation, generated rental revenue of approximately HK\$108.7 million, reflecting an increase of approximately HK\$6.2 million from HK\$102.5 million in 2023.

Despite the unfavorable market conditions in Shanghai throughout 2024, the rental income from this property continued to grow, demonstrating the effectiveness of our leasing strategies and the attractiveness of the leasing terms in securing new tenants. In 2025, the management is confident that the occupancy levels and rental revenue for our Shanghai property will further improve, positioning us for sustained growth and profitability in the years to come.

United Kingdom Properties

Barratt House, 341–349 Oxford Street, London

Barratt House is located on 341–349 Oxford Street, London which provides 7 floors of accommodation with a total area of 16,200 sq.ft., consisting of a 5,894 sq.ft. prime retail unit over basement, ground and first floors, and 8,244 sq.ft. of refurbished offices on four upper floors.

For the year ended 31 December 2024, the rental income attributable to the Group was approximately HK\$24.3 million. This property recorded 86% occupancy rate as of 31 December 2024.

The management considers this is a sound investment, given its prime location, favorable tenant mix, attractive discounted valuation, and potential for future redevelopment.

Property Development

PRC

For the year ended 31 December 2024, the Group recorded sale revenue of approximately HK\$223.7 million, increased by approximately HK\$157 million from approximately HK\$66.7 million in 2023, representing an increase of 235%. This substantial increase was primarily attributed to the recognition of new sales of Elegance Garden in Sanshui.

The Grand Riviera, Foshan

This comprehensive development project, 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 entire project, from Phase 1 to Phase 4, was completed and handed over for occupation in September 2018.

Sales Results

The number of residential units sold and recognized in 2024 decreased from 20 units in 2023 to 3 units in 2024, while carpark sales dropped from 104 units in 2023 to 46 units in 2024.

As at 31 December 2024, a total of 5,242 residential units out of total 5,264 units (representing 99.6%) and a total of 2,467 carpark spaces out of total 4,670 spaces (representing 52.8%) were successfully sold, generating accumulated sale proceeds of approximately HK\$6 billion. The management estimates that additional sale proceeds of approximately HK\$700 million could be realized if all remaining residential units, carpark spaces, and retail shops were sold under current market conditions.

Elegance Garden, Sanshui

Location and vicinity

The development is centrally located in Bei Jiang Xin Qu and is surrounded by the well-developed facilities, such as Beijiang Primary School, Xindongli Center, Beijiang Feng Huang Park, Sanshui Renmin Hospital and Sanshui Bus Stop. It is 15 minutes away from Guangzhou and Foshan High-Speed Railway Station and 20 minutes from Sanshui High-Speed Railway South Station. Additionally, the development is just 2.1 miles away from the Sanshui Metro Route 4, ensuring strong connectivity to the Guangzhou and Foshan.

Development Status

This residential development named Elegance Garden consists of 9 blocks 31-storey residential apartments, offering three unit sizes of 88, 98 and 108 square meters. With a plot ratio of 3.2 and green area ratio of 30%, it provides a total of 1,084 residential units with developable area of over 108,000 square meters. Including the retail and commercial area of approximately 1,461 square meters on the ground floor and 874 carpark spaces mainly built at basement level, the total developable area exceeds 142,000 square meters.

Sales results

Sales for Block 1, 2, 6 and 9 were officially launched. The sales performance of Elegance Garden ranks among the top three in Foshan Sanshui in 2024. As at the date of board meeting, a total of 336 residential units had been sold, generating sale proceeds of approximately RMB341.9 million. Interior decoration work for Block 1 and 6 has been completed and the units have already been handed over to buyers. Meanwhile, Blocks 2 and 9 are scheduled for completion and handover by June 2025. The next batch of unites for sale will be Block 4 & 8, where interior renovation work has already commenced.

HOTEL OPERATIONS

PRC

Budget Hotel

Since 2008, the Group has operated budget hotel business in Shanghai, Beijing and Guangzhou, all of which were managed under the Hanting brand. However, as part of a strategic restructuring initiative, the Group sold its budgeted hotels in Shanghai and Beijing in 2016.

Furthermore, due to the expiration of the lease, the hotel business operation in Guangzhou ceased on 11 January 2024.

Hong Kong

One-Eight-One Hotel & Serviced Residences

The former office building (formerly known as Western Harbour Centre), located at 181–183 Connaught Road West, was converted into a 182-room hotel and serviced residences. The hotel commenced full operations on 2 December 2019 after obtaining its hotel license.

For the year ended 31 December 2024, the hotel and F&B business recorded gross revenue approximately of HK\$83.7 million, which recorded negative profits before interest, tax, depreciation and amortization (“EBITDA”) of approximately HK\$1.5 million. If accounting for a depreciation of HK\$56.2 million, the Hotel and F&B business recorded a net loss of HK\$57.7 million.

Significant progress has been made in property management strategy. A tenancy agreement of the hotel property was successfully signed with an associate company of GDH Limited 廣東粵海控股集團有限公司, effective from 15 November 2024. This tenancy includes an annual base rent with a turnover rent component and has a 10-year term expiring on 14 November 2034, with an option for a five-year renewal. This agreement ensures a stable and predictable income stream while reducing operational complexities in direct hotel management.

Thailand

Kimpton Kitalay Samui

In 2021, the Group invested in a hotel property at Koh Samui, Thailand, through an acquisition of entire issued share capital of Choengmon Real Estate Company Limited, a company incorporated in Thailand.

The hotel is located at the northeastern part of Samui Island along the Choengmon Beach. The land is held under a freehold title and covers an area of 29,588 sq.m. The hotel comprises 21 pool villas and 117 premium rooms and suites, with a total gross floor area of over 22,098 sq.m. The property also features a main reception building, a lobby bar, a lobby lounge, an all-day dining restaurant, a beachfront specialty restaurant, a swimming pool, a spa, a fitness center and yoga studio, a kid’s club and a multi-purpose space designed to accommodate weddings or executive meetings. The hotel has been fully operational since January 2022.

For the year ended 31 December 2024, the hotel achieved gross revenue of approximately HK\$121.4 million, increased by approximately HK\$25.1 million, from approximately HK\$96.3 million in 2023, and generating EBITDA of approximately HK\$47.8 million. These results indicate a highly successful performance for 2024, with both gross revenue and gross operating profit exceeding the budget. This success can be attributed not only to the implementation of various IHG marketing campaigns but also to the hotel's focus on enhancing guest experience, which has led to its recognition as the top-rated Kimpton property in Asia Pacific.

Looking ahead, the hotel management will continue to closely monitor financial and operational performance. The hotel team remains committed to implementing effective strategies to sustain and further enhance this positive momentum.

SHARE OF RESULTS OF JOINT VENTURES

Over the past years, the Group teamed up with Value Partners Group Limited, has acquired four warehouses in Japan, two commercial buildings in Australia and seven logistic centers in Italy. These investment properties have consistently generated stable rental revenue streams, boasting impressive occupancy rates ranging from 90% to 100%.

The management remains optimistic about the potential of these joint venture investments, anticipating that they will continue to deliver stable rental returns along with long-term capital appreciation. As part of the strategic decision, the Group initiated the sale of its Japan portfolio, which has seen a notable increase in asset value. One of the warehouses in Hokkaido was successfully sold in 2024, generating proceeds of JPY3,230 million (equivalent to approximately HK\$160 million). The sale of the remaining three warehouses is currently underway, with transactions expected to be finalized in the first and second quarters of 2025.

For the year ended of 31 December 2024, the share of results from joint ventures decreased from the gain approximately HK\$22.1 million in 2023 to the loss approximately HK\$46.2 million in 2024. The negative share result was primarily due to the fair value losses on Australia investment properties and unrealized exchange losses.

Outlook

Despite the challenges posed by persistently high interest rates and slow economic growth, the Hong Kong economy continues to face difficulties and uncertainties. However, the Group remains confident in the gradual recovery of local consumption and overall business activities, driven by the revival of the retail and real estate markets, along with a steady increase in PRC visitors and investors. These factors are expected to stimulate economic growth and boost business activities across various sectors. The management remains committed to improving overall financial performance through operational efficiency and asset optimization. Moving forward, the focus will be on strengthening existing business operations to increase profitability and maximize returns for stakeholders.

THE CORPORATE GOVERNANCE CODE

During the financial year ended 31 December 2024, the Company has substantially complied with the provisions of the Corporate Governance Code (the “Code”) as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

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 C3 to the Listing Rules throughout the review period.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year ended 31 December 2024, the Company and its subsidiaries have not purchased, sold or redeemed any of the shares in the Company.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULT

The Company had established an Audit Committee (“AC”) in 1999 with revised written terms of reference with reference to the latest Listing Rules. The committee comprises four members, namely Mr. Cheng Yuk Wo (Chairman), Dr. The Hon. 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 AC together with the Company’s external auditor was held to review the Group’s annual results for the year ended 31 December 2024 before they presented the same to the Board of Directors for approval. Based on the review and discussion with management, the AC was satisfied that the consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group’s financial position and results for the year ended 31 December 2024.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2024.

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 Thursday, 22 May 2025, at 11:00 a.m. The Notice of the AGM will be published on the websites of the Company and the HKEXnews and dispatched to Shareholders on or about 8 April 2025.

CLOSURE OF REGISTER OF MEMBERS FOR THE ENTITLEMENT OF ATTENDING AND VOTING AT 2025 AGM

For the purpose of determining shareholders who are entitled to attend and vote at the 2025 Annual General Meeting to be held on Thursday, 22 May 2025 (“2025 AGM”), whose name should be recorded in the Company’s shareholders book on Thursday, 22 May 2025. The Register of Members of the Company will be closed from Monday, 19 May 2025 to Thursday, 22 May 2025, both days inclusive. To qualify for attending and voting at the 2025 AGM, all share certificates with completed transfer forms either overleaf or separately must be lodged with the Company’s Share Registrar, 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 Friday, 16 May 2025.

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 and Chief Executive Officer), Mr. Liu Kam Fai Winston (Vice Chairman), Mr. Lee Wai Hung, Mr. Liu Kwun Bo Darryl, Liu Chak Hung Adrian and Mr. Liu Kwun Hung Tiger; Non-executive Director: Mr. Kho Eng Tjoan Christopher; and Independent Non-executive Directors: Dr. The Hon. Cheng Mo Chi Moses, Mr. Au Kam Yuen Arthur, Dr. Ma Hung Ming John, Mr. Cheng Yuk Wo, Mr. Tong Tsun Sum Eric and Ms. Ngan Suk Fun Mariana.

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

Hong Kong, 13 March 2025

The Company’s 2024 Annual Report, containing the Directors’ Report, Financial Statements for the year ended 31 December 2024 and the Notice of Annual General Meeting, together with the circular and the Form of Proxy will be despatched to shareholders on or about 8 April 2025. 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.