MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 71)

2010 RESULTS ANNOUNCEMENT

CHAIRMAN'S STATEMENT

For the financial year ended 31 December 2010 (the "Reporting Year"), the Group's turnover amounted to approximately HK$2,112,000,000 (due to a change of the financial year end date, the last reporting period only covered nine months ended 31 December 2009, referred to as the "2009 Reporting Period". Turnover for the 2009 Reporting Period: HK$1,303,000,000). Profit attributable to shareholders amounted to approximately HK$784,000,000 (2009 Reporting Period (Restated): HK$260,000,000). Excluding the net increase in the fair value of our investment properties, underlying profit attributable to shareholders for the Reporting Year was approximately HK$378,000,000 (2009 Reporting Period (Restated): HK$152,000,000).

In 2010, the economic landscape in Hong Kong continued to improve, expediting the development of property-related businesses, the travel sector, the food and beverage business and the hotel industry in Asia. According to the statistics compiled by the Hong Kong Tourism Board, visitor arrivals in 2010 surged 21.8% year-on-year to a historic high of 36 million. Visitor spending during the year of 2010 also reached a new height, surging 30.5% and estimated at HK$212.6 billion in total.

The Group's business remained robust and delivered an encouraging performance. The Mira Hong Kong ("The Mira") under the Group recorded significant growth in both occupancy rate and average room rate compared with the 2009 Reporting Period, with operating profit amounting to approximately HK$120,000,000. The shopping centre located in The Mira is undergoing a refurbishment, and is expected to provide an additional area of approximately 90,000 sq.ft upon completion. Situated at a prime location in Tsim Sha Tsui, the complex will attract more renowned brands and will be able to command higher rental return.

The Group's property rental business grew steadily during the Reporting Year, registering a turnover of approximately HK$480,000,000. The Group carried out a series of refurbishment work at the Miramar Shopping Centre and the Miramar Tower, so as to attract more quality tenants to enhance assets value. The undertaking is set to further ramp up our business performance. During the year, the Group also proactively optimised our investment property portfolio and strived to unlock our growth potential in the future.

The recent rebound of the Hong Kong economy has been crucial in driving forward the food and beverage and travel business sectors. During the Reporting Year, the Group overcame various challenges and achieved satisfactory results for our food and beverage business. The Group has also won a number of local and international awards, which demonstrated the success of our strategy to reinforce our leading position in the high-end food and beverage market. As for our travel business, we have benefited from the blooming Asian tourism market amidst the favourable economic environment and positive market sentiments in the region. Turnover of this business segment showed double-digit growth, reaching approximately HK$980,000,000.

Corporate Governance and Social Responsibility

The Group places substantial importance upon prime corporate governance and believes that it is our corporate responsibility to contribute to the well-being of the society. During the Reporting Year, the Group continued to enhance its corporate governance standard by way of internal monitoring. Emphasis was also put on establishing an amicable corporate environment through strengthened staff welfare.

During the Reporting Year, the Group upheld the COSO (Committee of Sponsoring Organisations) internal monitoring standard. By conducting regular Internal Audits, the Group is committed to ensuring that business operation and management control, among other areas, are in compliance with COSO's international and professional standard.

In addition, the Group participated in a variety of community activities, including regular visits to community centres for elderly, participating in Green Power Hike 2010 and sponsoring fund raising events organised by different charity organisations, such as Chi Heng Foundation and Green Power etc., so as to provide support to minority groups and to enhance social care. Once again, the Group was awarded the Caring Company Logo by the Hong Kong Council of Social Service in 2010, in recognition of our contribution to community welfare.

Prospects

The Group will ride on the opportunities afforded by the currently stable economic growth and the buoyant retail and consumption market in order to foster development of our core businesses. The Group has carried out a series of renovation and refurbishment work at The Mira and other investment properties in recent years. The initiatives have transformed The Mira into one of the top-listed hotels with contemporary and stylish design, and the Miramar Shopping Centre has also become a magnet for internationally renowned brands seeking to tap Hong Kong's consumer market. The renovation and refurbishment work has reinforced the overall image of our property, accelerated asset value appreciation and increased investment returns. It has also given our properties a fresh and impressive look and breathed new life and energy into our hotel and property rental businesses.

Looking ahead, the Group will implement solid business strategies to strengthen each of our business segments. We will also seek to extend our business reach to new arenas, such as the food and beverage market in the mainland China. And through collaboration with international fashion brands, we will tap into the apparel sector. It is expected that this business will post satisfactory growth in the future. The Group's core businesses will continue to provide long term and stable profit, generating lucrative returns to shareholders.

Acknowledgements

I would like to take this opportunity to express my sincere gratitude to fellow board members, and my appreciation to all staff members for their dedication, relentless efforts and valuable contribution during the year.

LEE SHAU KEE
Chairman

Hong Kong, 16 March 2011

MANAGING DIRECTOR'S STATEMENT

During the Reporting Year, the local property market, the tourism sector, the food and beverage industry and consumption-related industries benefited from the continuous improvement of Hong Kong's economic environment, and their growth momentum gradually gathered strength. The Group's four core businesses, namely Hotel and Hotel Management business, Property Rental business, Food and Beverage business and Travel business, delivered satisfactory performances and posted significant growth compared with the 2009 Reporting Period.

Hotel and Hotel Management business

The Group owns and/or provides management services for six hotels and serviced apartments in Hong Kong and mainland China. The Group is the sole owner of The Mira, and Miramar Apartments in Shanghai, a block of serviced apartments. In addition, it provides management services for two hotels in Shekou, a serviced apartment complex and a hotel in Hong Kong. In September 2010, the Group disposed of the 25% equity interest in a hotel in Shekou.

The Mira is a five-star stylish hotel in Hong Kong. The travel and tourism industry in Asia has grown remarkably amid the improving economic environment. During the Reporting Year, occupancy rate and average room rate of The Mira increased significantly. In particular, the occupancy rate grew from 58% in 2009 Reporting Period to 80%, representing an increase of 22 percentage points. The average room rate was up 26%.

During the Reporting Year, The Mira achieved remarkable success in terms of its food and beverage operations. Several restaurants received a host of local and international accolades. The Group reapplied the operating concept of Cuisine Cuisine, a high-end Chinese restaurant, to The Mira, and created Cuisine Cuisine at The Mira, which, shortly after its inception, has been named "Hong Kong's Best Restaurants 2010" by Hong Kong Tatler. It has also been awarded two Michelin stars in the 2011 edition of the Michelin Hong Kong and Macau Guide, the food bible for restaurant-goers.

Yamm is another stylish restaurant in The Mira, renowned for serving a plethora of international delicacies. During the Reporting Year, Yamm was named one of the Hong Kong's Best Restaurants 2010 by Hong Kong Tatler and U Favorite Buffet of the U Favorite Awards 2009-2010 organised by U Magazine. It was also included as one of the Best Hotel Buffet Restaurants of the OpenRice Best Restaurant Awards 2010 organised by OpenRice.com, and one of the Top Ten Buffets in Town by the website of Time Out Hong Kong.

Whisk and Vibes are two connected restaurants with distinctively different decor. Whisk serves modern French cuisine with subtle Asiatic accents, and it has won the coveted title as a Newly Selected Restaurant in the 2011 edition of the Michelin Hong Kong and Macau Guide. The recently-opened Vibes features a unique al fresco garden lounge. Its ingenious design accentuates a perfect mélange of green, waterways and relaxing ambience. Vibes is a lush, serene outdoor location for diners to unwind themselves and escape from the hustle and bustle of the city. It was selected as one of the Best New Alfresco Bars 2010 by Luxetasy, in recognition of its innovative design and delectable menu.

Indeed, restaurants at The Mira swept away numerous industry awards during the Reporting Year. This enhanced the brand awareness of the hotel, and helped generate immense synergies so that the Group can have a solid platform on which it strives for greater excellence in the high-end food and beverage sector.

The Group continued to perform well by leveraging its reputable hotel brand image, distinguished service, supreme quality and extensive experience in hotel management and operation. The Mira achieved a turnaround during the Reporting Year. EBITDA (earnings before interest, taxes, depreciation and amortisation) reached approximately HK$120,000,000, compared with a loss of HK$12,000,000 recorded in 2009 Reporting Period.

Property Rental business

The Group owns a sound property portfolio, comprising retail shops in shopping centre and office tower, which generates long-term and stable income. During the Reporting Year, rental income derived from Miramar Shopping Centre and Miramar Tower remained as the major income contributor. Due to an increase in the supply of office space in other areas in Kowloon, the occupancy rate for offices in Tsim Sha Tsui as a whole showed a downward trend, marked by a slight decrease in the total income contribution from Property Rental business. With the completion of several refurbishment and renovation programmes for our investment properties, we believe the property rental business will enjoy impressive growth prospects.

Miramar Shopping Centre ("MSC")

The average occupancy rate of MSC for the Reporting Year was in line with that of the 2009 Reporting Period, and the average unit rate decreased slightly by 2%. The refurbishment work in Basement one was completed on schedule in the second quarter of 2010. The brand new image of the shopping centre has lured many new brands, including Mannings, Commercial Press and Caffé HABITU the table. In addition, the Group's special promotional activities held in the shopping centre from time to time have also helped bring traffic, leading to a rise in the retail shop occupancy rate. As at the end of 2010, occupancy rate of MSC exceeded 95%.

The tenants of MSC are mostly upscale, trendy fashion outlets, including a wide range of internationally renowned brands, such as agnés b, A|X Armani Exchange, DKNY Jeans, Calvin Klein Jeans, D-mop, i.t. and Vivienne Westwood. Besides, MSC houses a number of restaurants that offer regional cuisines, including Chinese, Japanese and Korean.

Miramar Tower ("MT")

The average occupancy rate of MT for the Reporting Year was similar to that of the 2009 Reporting Period and the average unit rate dropped by about 5%. This was mainly due to the increase in office space supply in the district. In order to strengthen the competitiveness and attractiveness of MT, the Group slightly reduced the average unit rate. As at the end of 2010, occupancy rate at MT was nearly 100%, which demonstrated the effectiveness of our strategy implemented in a timely manner.

To reinforce competitive edge, enhance the image of MT as a Grade A office building and accelerate the assets value appreciation, the Group has undertaken refurbishment work in the public areas of MT since May 2010. The work is expected to be completed in early 2011. We believe the initiative will refine MT's image and help to fuel rental income growth.

Miramar Shopping Centre – Hotel Tower

As disclosed in our 2009 Annual Report, Basement one to the second floor of the shopping centre at The Mira underwent a refurbishment. The work is expected to be completed in mid-2011. The contemporary design and comprehensive facilities will attract more luxury brands and quality enterprises, propelling growth in rental income.

In addition to our existing investment properties, the Group optimised property portfolio and acquired an investment property located at Stanley Main Street, a popular tourist spot in Hong Kong, at a consideration of approximately HK$64,000,000. The Group believes this new investment will generate steady income.

Food and Beverage business

The Group operates three Tsui Hang Village restaurants: one located in the MSC, Tsim Sha Tsui; one in the New World Tower, Central; and one situated in Club Marina Cove, Sai Kung. We also operate a Sichuan restaurant named Yunyan Szechuan Restaurant at MSC, two outlets at the IFC, namely Cuisine Cuisine and The French Window, and a canteen and Green Café at the Union Hospital.

In 2010, consumer sentiment continued to ameliorate amid the economic rebound in Hong Kong. This, together with the booming travel and tourist business, led to promising development of the food and beverage business. During the Reporting Year, the Group's food and beverage business returned to the growth track and delivered an encouraging performance. Our restaurants have also won a number of renowned local and international awards, in recognition of our efforts to develop our high-end luxury food and beverage business. The accolades have effectively reinforced of our leading market position.

Over the past few years, the Group has been dedicated to reforming its food and beverage business segment, with an aim of providing exquisite dainties and unrivalled culinary experience to our customers. During the Reporting Year, the Group completed the two-month renovation work at Yunyan Szechaun Restaurant and brought its successful brand "Cuisine Cuisine" to the mainland China market. The first Cuisine Cuisine restaurant will set foot in Beijing soon. Design and furnishing work is proceeding well and the restaurant will open in the third quarter of 2011.

In September 2010, the Group joined hands with Green House Food Co. Ltd., a reputable Japanese catering group, to expand the business network of Saboten Tonkatsu to reach Hong Kong. Saboten Tonkatsu is a chain restaurant specialising in traditional deep-fried breaded pork cutlet. The first outlet in Hong Kong will open in a prime location with high pedestrian flow in Causeway Bay, Hong Kong's iconic shopping hotspot. It is set to be launched in the second quarter of 2011. We believe that the well-established Japanese deep-fried breaded pork cutlet restaurant will attract numerous Japanese cuisine lovers.

During the Reporting Year, the Group also achieved good development for its new food and beverage business. It has entered into a franchise agreement with Hide-Chan Ramen, a popular Japanese ramen restaurant. The first franchise store is opened in March 2011 near Lan Kwai Fong, the entertainment hub in the heart of Central, which is known as a melting pot of international cuisine and restaurants targeting a variety of customers, from the low to high end. With the unwavering pursuit for high food quality, Hide-Chan Ramen is well-poised to take the mass market by storm.

The Group is confident that its food and beverage business in Hong Kong will continue to grow steadily and that it will enjoy greater growth prospects.

Travel business

During the Reporting Year, robust development of the tourism industry in Asia led to substantial growth in the Group's travel business. Double-digit year-on-year growth in revenue and operating net profit were logged. Japan tours, in particular, are most welcomed by the market. As such, the number of Japan tours surged, resulting in over 20% increase in revenue.

The volcanic eruption in Iceland, the airline strikes and snowstorm in Europe toward the end of 2010 had a negative impact on many regions. Nonetheless, the Group's travel business, which focuses on Asia, remained intact and large.

Revenue from commercial ticketing also contributed impressively to the Group's total revenue. During the Reporting Year, the buoyant economic landscape in Asia boosted the growth in business and trade in the region, hence expediting the increase in income from commercial ticketing.

Business Outlook

The macro-economic environment in 2010 was favourable for business development of the Group. We will take advantage of the positive trend to further promote growth of our core businesses. Meanwhile, the gradual completion of the renovation and refurbishment work in the hotel, shopping centre and office tower is set to enhance the image of the respective projects, increase rental income, and also drive the long term growth of hotel and related business.

According to the statistics of the Hong Kong Tourism Board, visitor arrivals and visitor spending reached new heights in 2010. This was mainly fuelled by the steady growth of the global economy and the expansion of the scope of the Individual Visit Scheme for Shenzhen residents launched by the Chinese Government. It is expected that the number of visitor arrivals in 2011 will keep growing, providing new momentum for future development.

The Group will focus on expanding its four core businesses. The Group is working on a hotel management project for a boutique hotel in Wan Chai, which will be operated under the brand name of "The Mira". It will further enhance the brand awareness of "The Mira" and garnered new business opportunities. The 32-storey boutique hotel is currently under construction, and is expected to commence trial operation in 2013. Wan Chai district enjoys a convenient transportation network and features old and new cultural characteristics of the area. It has become one of the favourite districts for tourists to stay in Hong Kong. We believe the boutique hotel will soon become a popular hotel in the district with the distinguished brand image of "The Mira" and our meticulous management service.

On food and beverage business front, we will cooperate with Hide-Chan Ramen in opening franchised stores in Hong Kong, so as to boost business growth. In addition, we are pursuing further expansion of our food and beverage business. In the second quarter of 2011, we will open Assaggio Trattoria Italiana, our first Italian restaurant, at the Hong Kong Art Centre in Wan Chai. Catering mainly to young customers, Assaggio offers a variety of Italian delicacies in an art-filled ambience.

The Group will also keep an eye on new business opportunities in mainland China. In 2011, the Group will open two Cuisine Cuisine restaurants, in Beijing and Wuhan respectively, to gradually stretch its tentacles in the mainland China food and beverage market. We will also accelerate the progress of refurbishment work in shopping centre, refine the overall image, optimise the competitive edge of investment properties and intensify profitability.

Leveraging our healthy financial position, seasoned management and solid hotel and property rental business in Hong Kong, we are confident that our core businesses will continue to see steady and long-term growth in profit. Meanwhile, we will further enrich our business portfolio. The Group commenced apparel retail business at the end of 2010 and has become a distributor of DKNY Jeans in mainland China. Looking forward to 2011, the Group will foster collaboration with international fashion brands. By opening exclusive stores in mainland China, the Group will set up our own retail network to fuel the growth in operating profit in the coming years.

LEE KA SHING
Managing Director

Hong Kong, 16 March 2011

The Board of Directors of Miramar Hotel and Investment Company, Limited (the "Company") are pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the twelve months ended 31 December 2010 together with the comparative figures of the nine months ended 31 December 2009 as follows:

CONSOLIDATED INCOME STATEMENT

	Note	For the twelve months ended 31 December 2010 HK$'000	For the nine months ended 31 December 2009 HK$'000 (restated)
Turnover	3	**2,112,119**	1,303,391
Cost of inventories		**(118,880)**	(73,156)
Staff costs		**(333,493)**	(224,861)
Utilities, repairs and maintenance and rent		**(108,415)**	(74,214)
Tour and ticketing costs		**(879,016)**	(543,363)
Gross Profit		**672,315**	387,797
Other revenue		**43,196**	28,446
		715,511	416,243
Operating and other expenses		**(196,255)**	(150,101)
Operating profit before depreciation and amortisation		**519,256**	266,142
Depreciation and amortisation		**(87,681)**	(44,063)
Operating profit		**431,575**	222,079
Finance costs		**(11,784)**	(9,853)
Share of profits less losses of associates		**3,224**	(55)
		423,015	212,171
Reversal of/(provision for) properties held for resale		**20,652**	(129)
Gain/(loss) on disposal of available-for-sale investments		**16,009**	(205)
Net increase in fair value of investment properties		**409,336**	109,186
Profit before taxation carried forward		**869,012**	321,023

	Note	**For the twelve months ended 31 December 2010** *HK$'000*	For the nine months ended 31 December 2009 *HK$'000* (restated)
Profit before taxation brought forward		**869,012**	321,023
Taxation	*4*		
– Current		**(58,248)**	(39,518)
– Deferred		**(5,343)**	(14,371)
Profit for the year/period		**805,421**	267,134
Attributable to:			
Shareholders of the Company		**784,307**	259,689
Non-controlling interests		**21,114**	7,445
		805,421	267,134
Dividends attributable to the year/period:	*5*		
Interim dividend		**86,585**	75,040
Final dividend		**126,991**	57,723
		213,576	132,763
Earnings per share – basic and diluted	*6*	**HK$1.36**	HK$0.45

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the twelve months ended 31 December 2010 *HK$'000*	For the nine months ended 31 December 2009 *HK$'000* (restated)
Profit for the year/period	**805,421**	267,134
Other comprehensive income for the year/period (after tax and reclassification adjustments):		
Exchange differences on translation of the financial statements of overseas subsidiaries	**29,050**	13,597
Changes in fair value of available-for-sale investments	**11,048**	7,160
Transferred to consolidated income statement on disposal of available-for-sale investments	**(16,009)**	–
	24,089	20,757
Total comprehensive income for the year/period	**829,510**	287,891
Attributable to:		
Shareholders of the Company	**802,812**	278,883
Non-controlling interests	**26,698**	9,008
Total comprehensive income for the year/period	**829,510**	287,891

CONSOLIDATED BALANCE SHEET

	Note	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000 (restated)	At 1 April 2009 HK$'000 (restated)
Non-current assets				
Fixed assets				
– Investment properties		**8,712,627**	8,194,426	8,075,559
– Other fixed assets		**732,246**	728,488	465,842
		9,444,873	8,922,914	8,541,401
Interest in associates		**6,865**	7,495	12,042
Interest in a jointly controlled entity		**1,141**	–	–
Available-for-sale investments		**6,013**	16,716	9,868
Deferred tax assets		**18,138**	9,896	14,455
		9,477,030	8,957,021	8,577,766
Current assets				
Properties under development for sale		**241,933**	241,180	242,253
Inventories		**160,358**	132,996	125,395
Trade and other receivables	*7*	**208,351**	149,826	119,529
Cash and bank balances		**479,985**	427,714	384,571
Tax recoverable		**2,045**	2,930	22,477
		1,092,672	954,646	894,225
Current liabilities				
Trade and other payables	*8*	**(417,191)**	(440,124)	(332,385)
Interest-bearing borrowings		**(214,911)**	(299,919)	(201,906)
Sales and rental deposits received		**(116,408)**	(79,935)	(104,518)
Tax payable		**(17,160)**	(56,395)	(30,058)
Dividend payable		**–**	(75,040)	–
		(765,670)	(951,413)	(668,867)
Net current assets		**327,002**	3,233	225,358
Total assets less current liabilities carried forward		**9,804,032**	8,960,254	8,803,124

	Note	**At 31 December 2010 *HK$'000***	At 31 December 2009 *HK$'000* (restated)	At 1 April 2009 *HK$'000* (restated)
Total assets less current liabilities brought forward		**9,804,032**	8,960,254	8,803,124
Non-current liabilities				
Interest-bearing borrowings		**(647,492)**	(541,911)	(515,315)
Deferred liabilities		**(86,627)**	(95,327)	(88,916)
Amounts due to holders of non-controlling interests of a subsidiary	*9*	**(54,040)**	–	–
Deferred tax liabilities		**(150,918)**	(134,733)	(123,771)
		(939,077)	(771,971)	(728,002)
NET ASSETS		**8,864,955**	8,188,283	8,075,122
CAPITAL AND RESERVES				
Share capital		**404,062**	404,062	404,062
Reserves		**8,356,882**	7,698,223	7,592,509
Total equity attributable to shareholders of the Company		**8,760,944**	8,102,285	7,996,571
Non-controlling interests		**104,011**	85,998	78,551
TOTAL EQUITY		**8,864,955**	8,188,283	8,075,122

Notes:

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

(a) These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The accounting policies used in the preparation of the financial report are consistent with those used in the annual financial statements for the nine months ended 31 December 2009, except the changes set out in note 2.

(b) The Company changed its financial year end date from 31 March to 31 December in last financial period. Accordingly, the financial period under review covers a period of twelve months from 1 January 2010 to 31 December 2010. The comparative figures (which cover a period of nine months from 1 April 2009 to 31 December 2009) for the consolidated income statement, the consolidated statement of comprehensive income, and related notes are therefore not entirely comparable with those of the current year.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued two revised HKFRSs, a number of amendments to HKFRSs and two new Interpretations that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- HKFRS 3 (revised 2008), *Business combinations*
- Amendments to HKAS 27, *Consolidated and separate financial statements*
- Improvements to HKFRSs (2009)
- HK (Int) 5, *Presentation of financial statements – classification by the borrower of a term loan that contains a repayment on demand clause*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period, with the exception of the amendments to HKAS 12, *Income taxes*, in respect of the recognition of deferred tax on investment properties carried at fair value under HKAS 40, *Investment property*. The amendments are effective for annual periods beginning on or after 1 January 2012, but as permitted by the amendments, the Group has decided to adopt the amendments early.

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Early adoption of the amendments to HKAS 12, Income taxes

The change in policy arising from the amendments to HKAS 12 is the only change which has had a material impact on the current or comparative periods. As a result of this change in policy, the Group now measures any deferred tax liability in respect of its investment properties with reference to the tax liability that would arise if the properties were disposed of at their carrying amounts at the balance sheet date, unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Previously, where these properties were held under leasehold interests, deferred tax was generally measured using the tax rate that would apply as a result of recovery of the asset's value through use.

This change in policy has been applied retrospectively by restating the opening balances at 1 April 2009 and 1 January 2010, with consequential adjustments to comparatives for the nine months ended 31 December 2009. This has resulted in a reduction in the amount of deferred tax provided on valuation gain in respect of certain investment properties of the Group. The effects are shown as follows:

	As previously reported	Effect of adoption of amendments to HKAS 12	As restated
	HK$'000	*HK$'000*	*HK$'000*
Consolidated income statement for the nine months ended 31 December 2009:			
Deferred tax	31,449	(17,078)	14,371
Profit for the period	250,056	17,078	267,134
Profit attributable to:			
– Shareholders of the Company	242,621	17,068	259,689
– Non-controlling interests	7,435	10	7,445
Earnings per shares – Basic and diluted	HK$0.42	HK$0.03	HK$0.45
Consolidated balance sheet at 31 December 2009:			
Deferred tax liabilities	1,145,090	(1,010,357)	134,733
Retained profits	6,101,750	1,010,219	7,111,969
Non-controlling interests	85,860	138	85,998
Consolidated balance sheet at 1 April 2009:			
Deferred tax liabilities	1,117,050	(993,279)	123,771
Retained profits	6,032,298	993,151	7,025,449
Non-controlling interests	78,423	128	78,551

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Other changes in accounting policies as a result of developments in HKFRSs

The issuance of HK (Int) 5 has had no material impact on the Group's financial statements as the Interpretation's conclusion was consistent with policies already adopted by the Group. The other developments resulted in changes in accounting policy but none of these changes in policy have a material impact on the current or comparative periods, for the following reasons:

– The impact of the majority of the revisions to HKFRS 3 and HKAS 27 have not yet had a material effect on the Group's financial statements as these changes will first be effective as and when the Group enters into a relevant transaction (for example, a business combination or a disposal of a subsidiary) and there is no requirement to restate the amounts recorded in respect of previous such transactions.

– The impact of the amendments to HKFRS 3 (in respect of recognition of acquiree's deferred tax assets) and HKAS 27 (in respect of allocation of losses to non-controlling interests (previously known as "minority interests") in excess of their equity interest) have had no material impact as there is no requirement to restate amounts recorded in previous periods and no such deferred tax assets or losses arose in the current year.

– The amendment introduced by the Improvements to HKFRSs (2009) omnibus standard in respect of HKAS 17, *Leases*, resulted in a change of classification of certain of the Group's leasehold land interests located in the Hong Kong Special Administrative Region, but this had no material impact on the amounts recognised in respect of these leases as the lease premiums in respect of all such leases are fully paid and are being amortised over the remaining length of the lease term.

Further details of these changes in accounting policy are as follows:

– As a result of the adoption of HKFRS 3 (revised 2008), any business combination acquired on or after 1 January 2010 will be recognised in accordance with the new requirements and detailed guidance contained in HKFRS 3 (revised 2008). These include the following changes in accounting policies:

  • Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees, will be expensed as incurred, whereas previously they were accounted for as part of the cost of the business combination and therefore impacted the amount of goodwill recognised.

  • If the Group holds interests in the acquiree immediately prior to obtaining control, these interests will be treated as if disposed of and re-acquired at fair value on the date of obtaining control. Previously, the step-up approach would have been applied, whereby goodwill computed as if accumulated at each stage of the acquisition.

  • Contingent consideration will be measured at fair value at the acquisition date. Subsequent changes in the measurement of that contingent consideration unrelated to facts and circumstances that existed at the acquisition date will be recognised in profit or loss, whereas previously these changes were recognised as an adjustment to the cost of the business combination and therefore impacted the amount of goodwill recognised.

  • If the acquiree has accumulated tax losses or other temporary deductible differences and these fail to meet the recognition criteria for deferred tax assets at the date of acquisition, then any subsequent recognition of these assets will be recognised in profit or loss, rather than as an adjustment to goodwill as was previously the policy.

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Other changes in accounting policies as a result of developments in HKFRSs (continued)

- In addition to the Group's existing policy of measuring the non-controlling interests in the acquiree at the non-controlling interest's proportionate share of the acquiree's net identifiable assets, in future the Group may elect, on a transaction by transaction basis, to measure the non-controlling interests at fair value.

In accordance with the transitional provisions in HKFRS 3 (revised 2008), these new accounting policies will be applied prospectively to any business combinations in the current or future periods. The new policy in respect of recognition in the movement of deferred tax assets will also be applied prospectively to accumulated tax losses and other temporary deductible differences acquired in previous business combinations. No adjustments have been made to the carrying values of assets and liabilities that arose from business combinations whose acquisition dates preceded the application of this revised standard.

– As a result of the adoption of HKAS 27 (amended 2008), the following changes in policies will be applied as from 1 January 2010:

- If the Group acquires an additional interest in a non-wholly owned subsidiary, the transaction will be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no goodwill will be recognised as a result of such transactions. Similarly, if the Group disposes of part of its interest in a subsidiary but still retains control, this transaction will also be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no profit or loss will be recognised as a result of such transactions. Previously the Group treated such transactions as step-up transactions and partial disposals, respectively.

- If the Group loses control of a subsidiary, the transaction will be accounted for as a disposal of the entire interest in that subsidiary, with any remaining interest retained by the Group being recognised at fair value as if reacquired.

In accordance with the transitional provisions in HKAS 27, these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

– In order to be consistent with the above amendments to HKFRS 3 and HKAS 27, and as a result of amendments to HKAS 28, *Investments in associates*, and HKAS 31, *Interests in joint ventures*, the following policies will be applied as from 1 January 2010:

- If the Group holds interests in the acquiree immediately prior to obtaining significant influence or joint control, these interests will be treated as if disposed of and re-acquired at fair value on the date of obtaining significant influence or joint control. Previously, the step-up approach would have been applied, whereby goodwill was computed as if accumulated at each stage of the acquisition.

- If the Group loses significant influence or joint control, the transaction will be accounted for as a disposal of the entire interest in that investee, with any remaining interest being recognised at fair value as if reacquired. Previously such transactions were treated as partial disposals.

Consistent with the transitional provisions in HKFRS 3 and HKAS 27, these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Other changes in accounting policies as a result of developments in HKFRSs (continued)

Other changes in accounting policies which are relevant to the Group's financial statements are as follows:

– As a result of the amendments to HKAS 27, as from 1 January 2010 any losses incurred by a non-wholly owned subsidiary will be allocated between the controlling and non-controlling interests in proportion to their interests in that entity, even if this results in a deficit balance within consolidated equity being attributed to the non-controlling interests. Previously, if the allocation of losses to the non-controlling interests would have resulted in a deficit balance, the losses were only allocated to the non-controlling interests if the non-controlling interests were under a binding obligation to make good the losses. In accordance with the transitional provisions in HKAS 27, this new accounting policy is being, applied prospectively and therefore previous periods have not been restated.

– As a result of the amendment to HKAS 17, *Leases*, arising from the "Improvements to HKFRSs (2009)" omnibus standard, the Group has re-evaluated the classification of its interests in leasehold land as to whether, in the Group's judgement, the lease transfers significantly all the risks and rewards of ownership of the land such that the Group is in a position economically similar to that of a purchaser. The Group has concluded that the classification of such leases as operating leases continues to be appropriate, with the exception of those interests which are registered and transferable ownership interests in land located in the Hong Kong Special Administrative Region and subject to the Government's land policy of renewal without payment of additional land premium. These leasehold interests will no longer be classified by the Group as operating leases as the Group considers that it is in a position economically similar to that of a purchaser. This change in accounting policy has no material impact on the current or previous periods as the lease premiums in respect of all such leases are fully paid and are being amortised over the remaining length of the lease term.

– As a result of the amendment to HKFRS 8, *Operating segments*, arising from the "Improvements to HKFRSs (2009)" omnibus standard, it clarified that segment assets should only be disclosed if that amounts are regularly provided to the most senior executive management. Accordingly, no information on segment assets is disclosed in the current year financial statements as the Group does not provide such information to its most senior executive management.

3. TURNOVER AND SEGMENTAL REPORTING

The Group manages its businesses by segments which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following five reportable segments. No operating segments have been aggregated to form the following reportable segments.

Property investment	:	The leasing of office and retail premises to generate rental income and to gain from the appreciation in properties' values in the long term
Property development and sales	:	The development, purchase and sale of commercial and residential properties
Hotel ownership and management	:	The operation of hotel and provision of hotel management services
Food and beverage operation	:	The operation of restaurants
Travel operation	:	The operation of travel agency services

The principal activities of the Group are property investment, property development and sales, hotel ownership and management, food and beverage operation and travel operation. Turnover represents rental income, income from sale of properties and properties under development, income from hotel, food and beverage and travel operations.

3. TURNOVER AND SEGMENTAL REPORTING (CONTINUED)

(a) Segment results

Revenue and expense are allocated to the reportable segments with reference to sales generated by those segments and the expenses directly incurred by those segments. The measure used for reporting segment results is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation". To arrive at adjusted EBITDA, the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as share of profits less losses of associates, other non-operating items and other corporate expenses.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purpose of resource allocation and assessment of segment performance for the twelve months ended 31 December 2010 and nine months ended 31 December 2009 is set out below.

	For the twelve months ended 31 December 2010					
	Property investment *HK$'000*	Property development and sales *HK$'000*	Hotel ownership and management *HK$'000*	Food and beverage operation *HK$'000*	Travel operation *HK$'000*	Total *HK$'000*
Revenue from external customers	481,233	3,383	442,129	201,911	983,463	2,112,119
Inter-segment revenue	–	–	2,031	5,100	–	7,131
Reportable segment revenue	481,233	3,383	444,160	207,011	983,463	2,119,250
Elimination of inter-segment revenue						(7,131)
Consolidated turnover						2,112,119
Reportable segment operating results (adjusted EBITDA)	410,018	(13,475)	143,500	18,287	33,515	591,845
Unallocated corporate expenses						(160,270)
						431,575
Finance costs						(11,784)
Share of profits less losses of associates						3,224
Reversal of provision for properties held for resale						20,652
Gain on disposal of available-for-sale investments						16,009
Net increase in fair value of investment properties	409,336	–	–	–	–	409,336
Consolidated profit before taxation						869,012

3. TURNOVER AND SEGMENTAL REPORTING (CONTINUED)

(a) Segment results (continued)

	For the nine months ended 31 December 2009					
	Property investment *HK$'000*	Property development and sales *HK$'000*	Hotel ownership and management *HK$'000*	Food and beverage operation *HK$'000*	Travel operation *HK$'000*	Total *HK$'000*
Revenue from external customers	364,062	–	210,344	124,130	604,855	1,303,391
Inter-segment revenue	–	–	1,532	3,233	–	4,765
Reportable segment revenue	364,062	–	211,876	127,363	604,855	1,308,156
Elimination of inter-segment revenue						(4,765)
Consolidated turnover						1,303,391
Reportable segment operating results (adjusted EBITDA)	310,073	(13,330)	28,717	(2,407)	15,746	338,799
Unallocated corporate expenses						(116,720)
						222,079
Finance costs						(9,853)
Share of profits less losses of associates						(55)
Provision for properties held for resale						(129)
Loss on disposal of available-for-sale investments						(205)
Net increase in fair value of investment properties	109,186	–	–	–	–	109,186
Consolidated profit before taxation						321,023

3. TURNOVER AND SEGMENTAL REPORTING (CONTINUED)

(b) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group non-current assets other than financial instruments and deferred assets. The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of non-current assets is based on the physical location of the asset, in case of interest in associates and a jointly controlled entity, the location of operations.

	Revenue from external customers		**Non-current assets**	
	For the twelve months ended 31 December 2010	For the nine months ended 31 December 2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
The Hong Kong Special Administrative Region	**2,056,884**	1,267,694	**8,870,784**	8,444,020
The People's Republic of China	**55,235**	35,697	**582,095**	486,389
	2,112,119	1,303,391	**9,452,879**	8,930,409

4. TAXATION

Taxation in the consolidated income statement represents:

	For the twelve months ended 31 December 2010 HK$'000	For the nine months ended 31 December 2009 HK$'000 (restated)
Current tax – Hong Kong Profits Tax		
Provision for the year/period	**49,850**	39,324
Under provision in respect of prior years	**149**	31
	49,999	39,355
Current tax – Overseas		
Provision for the year/period	**6,662**	1,177
Under/(over)-provision in respect of prior years	**1,587**	(1,014)
	8,249	163
Deferred tax		
Change in fair value of investment properties	**2,591**	1,011
Origination and reversal of temporary differences	**2,752**	13,360
	5,343	14,371
	63,591	53,889

Provision for Hong Kong Profits Tax is calculated at 16.5% (nine months ended 31 December 2009: 16.5%) of the estimated assessable profits for the year.

Overseas taxation is calculated at rates of tax applicable in countries in which the Group is assessed for tax.

Share of associates' taxation for the twelve months ended 31 December 2010 of HK$142,000 (nine months ended ended 31 December 2009: HK$105,000) is included in the share of profits less losses of associates.

5. DIVIDENDS

Dividends attributable to the year/period

	For the twelve months ended 31 December 2010	For the nine months ended 31 December 2009
	HK$'000	*HK$'000*
Interim dividend declared and paid of 15 Hong Kong cents per share (nine months ended 31 December 2009: 13 Hong Kong cents per share)	**86,585**	75,040
Final dividend proposed after the balance sheet date of 22 Hong Kong cents per share (nine months ended 31 December 2009: 10 Hong Kong cents per share)	**126,991**	57,723
	213,576	132,763

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

6. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of the Company of HK$784,307,000 (nine months ended 31 December 2009 (restated): HK$259,689,000) and 577,231,252 shares (nine months ended 31 December 2009: 577,231,252 shares) in issue during the year/period.

There were no potential dilutive ordinary shares in existence during the twelve months ended 31 December 2010 and nine months ended 31 December 2009, and hence the diluted earnings per share is the same as the basic earnings per share.

7. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade debtors (net of allowance for doubtful debts) with the following ageing analysis as at the balance sheet date:

	2010 HK$'000	2009 HK$'000
Current	**38,922**	35,091
Less than 1 month past due	**10,885**	12,172
1 – 2 months past due	**4,636**	5,459
Over 2 months past due	**13,106**	8,198
	28,627	25,829
Trade receivables	**67,549**	60,920
Other receivables	**140,802**	88,906
	208,351	149,826

All of the trade and other receivables are expected to be recovered within one year except for the amount of HK$11,112,000 (2009: HK$12,202,000) which is expected to be recoverable after more than one year.

The Group has a defined credit policy. The general credit terms allowed range from 7 to 60 days from the date of billing. Debtors with balances that are more than 60 days overdue are generally required to settle all outstanding balance before any further credit is granted.

8. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables with the following ageing analysis as at the balance sheet date:

	2010	2009
	HK$'000	*HK$'000*
Due within 3 months or on demand	**67,877**	76,038
Due after 3 months but within 6 months	**14,103**	2,909
Trade payables	**81,980**	78,947
Other payables	**239,708**	209,139
Amounts due to holders of non-controlling interests of subsidiaries *(see note 9)*	**91,075**	152,038
Amount due to an associate *(note)*	**4,428**	–
	417,191	440,124

Note: Amount due to an associate is unsecured, interest-free and repayable on demand.

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

9. AMOUNTS DUE TO HOLDERS OF NON-CONTROLLING INTERESTS OF SUBSIDIARIES

Except the amounts due to holders of non-controlling interests of a subsidiary amounting to HK$54,040,000 (2009: HK$56,317,000), which is interest bearing at 6.14% (2009: 7.56%) per annum and not expected to be settled within one year (2009: no fixed terms of repayment), all of the amounts due to holders of non-controlling interests of subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

10. RESTATEMENT OF COMPARATIVE

As a result of the adoption of the amendments to HKAS 12, *Income taxes*, certain comparative figures have been adjusted to reflect the decrease in accrual of deferred tax liabilities related to certain investment properties of the Group carried at fair value. Further details of these changes in accounting policies are disclosed in note 2.

DIVIDEND

The Board of Directors recommends the payment of a final dividend of 22 Hong Kong cents per share in respect of the twelve months ended 31 December 2010 to shareholders listed on the Register of Members at the close of business on 1 June 2011. Subject to the approval to be obtained at the Annual General Meeting of the Company to be held on 1 June 2011, the dividend warrants for the proposed final dividend will be despatched by mail to shareholders on or about 16 June 2011.

CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 24 May 2011 to 1 June 2011, both days inclusive. In order to qualify for the proposed final dividend for the year, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Monday, 23 May 2011.

ANNUAL GENERAL MEETING

The Annual General Meeting ("AGM") of the Company will be held at The Ballroom, 18/F, The Mira Hong Kong, 118-130 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 1 June 2011 at 12:00 noon. The Notice of AGM will be published on the websites of both The Stock Exchange of Hong Kong Limited and the Company, and despatched to shareholders on or about 14 April 2011.

CORPORATE FINANCE

The Group maintains its conservative financial policy, with high liquidity and low gearing. Gearing, calculated by dividing consolidated total borrowings by consolidated total shareholders' equity, is only 10% as at 31 December 2010 (2009 (Restated): 10%).

The Group has negligible foreign currency risk, given that the majority of the financing facilities obtained by the Group are denominated in Hong Kong dollars. Interests on bank loans and borrowings of the Group are chargeable mainly based on certain agreed interest margin over the Hong Kong Interbank Offer Rate, which is therefore of floating rate in nature.

The Group has adequate credit facilities available to fund its development programme for the foreseeable future. At 31 December 2010, total available facilities amounted to approximately HK$1.5 billion (2009: approximately HK$1.4 billion), and 58% of that (2009: 60%) were utilised. At 31 December 2010, consolidated net borrowings were approximately HK$0.44 billion (2009: HK$0.47 billion), of which none was secured borrowings (2009: none).

EMPLOYEES

As at 31 December 2010, the Company had a total of about 1,600 full-time employees, including 1,500 employed in Hong Kong, 100 employed in the People's Republic of China and the United States of America. We recognise and reward team members' efforts and contribution made to the Company. As such, our remuneration policy is set up on the basis of team members' merit, competency and contribution towards the Company's goals. We regularly review our employees' salary and benefit by making reference to various factors like the Company's operating results, individual staff performance and comparable market statistics. Performance-base incentive and bonus schemes are also used to motivate team members to achieve individual and Company goals. Through the regular review, our employees' remuneration packages are maintaining at reasonable and competitive level in the market and equitable across different units and departments within the Company.

TRAINING & DEVELOPMENT

In order to build a "wish working culture" in the organisation, "The 7-Habits of Highly Effective People" training was extended to all managers and executives in 2010. It was further supported by the briefing and training of the "Miramar Guiding Principles" and the "MiraWay" service culture to all team members.

To ensure our service could achieve "Always exceeding expectations", "Service Excellence Training" for all service staff were delivered and "Mystery Shopper Program" for improving service quality were conducted. Results were used as benchmark for continuous improvement.

In order to cope with the business growth and development plan in 2011, "Leadership for Change" program will be offered to leaders at different levels, in order to further develop their abilities to drive changes by understanding the importance of stakeholders, and to enhance their skills in leading and motivating others through organisational change initiatives.

"**S**tages of Employee's **E**xperience and **E**xposures" or "**S.E.E.**" approach is the principle guidelines for our learning & development plan of 2011. Therefore, more resources will be allocated in the training and development of team members of all levels, allowing them to see their development in the organisation, vertically and horizontally, together with the business growth. We will also make use of the "Management Development Programs" to identify and develop high potential team members as future leadership roles in the organisation.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the twelve months ended 31 December 2010.

AUDIT COMMITTEE

The Audit Committee has reviewed the financial results of the Group for the twelve months ended 31 December 2010 and discussed with internal audit executives and independent auditors matters on auditing, internal control and financial reports of the Group.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the twelve months ended 31 December 2010, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code for dealing in securities of the Company by the directors. Having made specific enquiries, the Company confirmed that all directors had complied with the required standards set out in the Model Code throughout the twelve months ended 31 December 2010.

By Order of the Board
LEE SHAU KEE
Chairman

Hong Kong, 16 March 2011

As at the date of this announcement, (i) the executive directors of the Company are: Dr. Lee Shau Kee, Mr. Lee Ka Shing, Mr. Richard Tang Yat Sun, Mr. Colin Lam Ko Yin, Mr. Norman Ho Hau Chong and Mr. Eddie Lau Yum Chuen; (ii) the non-executive directors of the Company are: Dr. Patrick Fung Yuk Bun, Mr. Dominic Cheng Ka On, Mr. Tony Ng, Mr. Howard Yeung Ping Leung, Mr. Thomas Liang Cheung Biu and Mr. Alexander Au Siu Kee; (iii) the independent non-executive directors of the Company are: Dr. David Sin Wai Kin, Mr. Wu King Cheong and Dr. Timpson Chung Shui Ming.