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MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 71)

**INTERIM RESULTS
ANNOUNCEMENT
for the six months ended
30 June 2013**

CHAIRMAN STATEMENT

Review of Operations and Prospects

For the six months ended 30 June 2013 (the “Reporting Period”), the Group’s turnover was approximately HK\$1,408 million representing a decrease of 8% compared to the six months ended 30 June 2012 (the “Last Corresponding Period”).

Profit attributable to shareholders was HK\$680 million, up 2% compared to the Last Corresponding Period. Excluding the net increase in fair value of the investment properties, underlying profit attributable to shareholders rose to HK\$237 million. Basic underlying earnings per share were HK\$0.41, representing an increase of 14% compared to the Last Corresponding Period.

Business Overview

Since 2013 first quarter, China recorded its slowest growth rate in 13 years, and the recovery of the global economy remained fragile and is characterized by uncertainties. Against this increasingly challenging environment, the Group responded constructively by initiating a series of actions which strengthened its value propositions.

The Property Rental Business remains resilient and continued to generate satisfactory revenue and growth, benefiting from loyal tenants, and contributed stable rental income for the Group.

In the hospitality sector, marginal drop in visitor arrivals from the America and Asia impacted demand for hotel rooms. Performance of Group’s Hotel and Serviced Apartment Business, and hotel food and beverage consumption, declined marginally compared to the Last Corresponding Period.

The Travel Business recorded growth benefiting from the recovering air travel.

The Food and Beverage recorded a reduced loss during the Reporting Period. Active steps continued to be taken to revitalize and turnaround the Food and Beverage Business in Hong Kong and to improve operating efficiency in China. However, the Group’s Apparel Business in China recorded a deteriorated operating loss during the Reporting Period.

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Business Outlook

Looking ahead, it is expected that the uncertain operating environment will continue to prevail; with an emerging confidence in recovery of the US and European economies.

In the context of this environment, the Group will continue to strengthen its core Property Rental and Hotel Businesses, and take measures to maintain its momentum to strengthen operating efficiencies and infrastructure. It will pursue a series of asset enhancement programs to improve the intrinsic value of its strategic assets and their revenue generating capability. Through careful execution of a balanced business strategy, Miramar Group will continue to strengthen its businesses by offering compelling products and services and to reward shareholders with still better returns.

Message of Condolence

The Honourable Sir Lee Quo-Wei, co-founder and former director of the Group, passed away on 10 August 2013. The members of the Board express great sadness on hearing of his passing away and would like to express sincere appreciation for his tremendous and valuable contribution to the Group over the years.

LEE SHAU KEE
Chairman

Hong Kong, 19 August 2013

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CEO'S MESSAGE

For the first six months of 2013, challenges remained as the economy's growth momentum slowed. Management responded well to the challenging external conditions and stable results were recorded in each of the Group's five core businesses – Property Rental, Hotel and Serviced Apartment, Food and Beverage, Travel, and Apparel.

Property Rental Business

The growth momentum of leasing demand slowed as companies adjust to a slower economic growth in China; however the Group's investment property portfolio, which includes Mira Mall, Miramar Shopping Centre and Miramar Tower, continued to benefit from long-term leases with loyal tenants, asset enhancement in recent years and improved trade mix.

Following a series of renovation works and facility refurbishments, the rent and occupancy rates of the Group's properties remained at a healthy level and continued to be the major profit contributor for the Group in the first six months of 2013.

Going forward, the Group will continue with its strategy to improve traffic, strengthen trade mix and implement asset enhancement programs scheduled to begin in 2014, to maintain an excellent business environment for its tenants and to drive rental income for the Group.

Hotel and Serviced Apartment Business

Due in part to the slight decline in tourists from the US and Asia, the Group's flagship hotel The Mira Hong Kong experienced a weaker performance compared to Last Corresponding Period, with occupancy rate marginally lower.

Mira Moon, the 91-room boutique design hotel, is set to launch in Quarter four 2013. The latest addition to the Mira hospitality portfolio, Mira Moon presents a contemporary abstract interpretation of Chinese tradition in contemporary Hong Kong, appealing to travelers seeking a unique and personalized experience.

Food and Beverage Business

In response to softening market conditions and increased competition, the Group took actions to revitalize its outlets and reposition its offerings to cater to changing lifestyles and strengthen operational efficiency. The business recorded a steady performance over the past six months.

Notably, Cuisine Cuisine in Wuhan recorded an improved performance and has successfully positioned itself as the venue of choice for personal and business events. In Hong Kong, the successful revitalization of French Window Brasserie and Bar has reinforced the approach taken by the Group to cater to a new generation of guests demanding an enhanced dining experience.

The Group will continue with its multi-brand strategy and expand its food and beverage portfolio by selectively replicating successful brands to strengthen the Group's position in this segment. This began with the opening of the third Tsui Hang Village in Causeway Bay in May this year.

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Travel Business

Led by emerging markets in Africa and Latin America, global travel remained resilient to global uncertainty. The Group's travel business continued to grow during the Reporting Period, with the mass-market tour business contributing to the Group's total revenue.

To maintain the momentum of brand differentiation, the Travel Business will strive to strengthen its position by enhancing customer experience.

Apparel Business

The Group and its franchisees own and operate DKNY Jeans stores throughout China. The retail environment in China remained difficult and the Group's Apparel Business in China recorded a deteriorated operating loss during the Reporting Period, and management is currently evaluating its business strategies.

New Loyalty Program

With a refocus on offering dynamic lifestyle products, the Group launched an exclusive membership program named Mira Plus in Quarter two 2013. Designed to appeal to customers seeking a holistic lifestyle experience, Mira Plus provides members with a comprehensive offering of dining, hotel, spa, shopping and travel experiences in Hong Kong and China.

Business Outlook

While there is an emerging confidence in the recovery of the US economy, and the European recession seems to have bottomed with stabilization in China economy.

The Group will continue to maintain the growth momentum of its property portfolio by enhancing its asset value and reinforce its position in the hospitality sector with the roll out of a new Design Hotels™ member hotel. The Group will also step up its initiatives to reinvent diner experiences and seek out new opportunities to expand its Food and Beverage Business, such as the launch of new Korean restaurant brand School Food.

Miramar Group has stable core revenue, a healthy balance sheet, and strong liquidity. Through careful execution of its business strategy and prudent financial management, the Group will continue to pursue growth in its core businesses. It will also strengthen expertise and nurture talent, developing framework to implement effective strategies for sustainable growth.

LEE KA SHING
CEO

Hong Kong, 19 August 2013

MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED*(Incorporated in Hong Kong with limited liability)***(Stock Code: 71)****INTERIM RESULTS
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for the six months ended
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The Board of Directors of Miramar Hotel and Investment Company, Limited (the “Company”) are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2013 together with the comparative figures for the corresponding period in 2012. These interim results have not been audited, but have been reviewed by both the Company’s independent auditors and the Company’s Audit Committee. The independent review report of the auditors is included in the interim financial report to be sent to the shareholders.

CONSOLIDATED INCOME STATEMENT – UNAUDITED

	<i>Note</i>	For the six months ended 30 June	
		2013	2012
		HK\$’000	HK\$’000
Turnover	3	1,407,754	1,525,697
Cost of inventories		(97,219)	(287,742)
Staff costs		(255,738)	(227,347)
Utilities, repairs and maintenance and rent		(83,875)	(74,384)
Tour and ticketing costs		(504,199)	(478,776)
Gross profit		466,723	457,448
Other revenue		40,397	35,853
Operating and other expenses		(128,313)	(131,408)
Depreciation and amortisation		(70,827)	(62,083)
		307,980	299,810
Finance costs	4(a)	(13,197)	(14,892)
Share of profits less losses of associates		59	(914)
Share of profit of a joint venture		422	453
		295,264	284,457
Net gain on disposal of properties		38,783	–
Net realised and unrealised (losses)/gains on trading securities		(2,410)	1,263
Net increase in fair value of investment properties	8	443,328	457,410
Profit before taxation carried forward	4	774,965	743,130

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		For the six months ended 30 June	
	<i>Note</i>	2013	2012
		HK\$'000	HK\$'000
Profit before taxation brought forward	4	<u>774,965</u>	<u>743,130</u>
Taxation	5		
– Current		(51,117)	(41,690)
– Deferred		<u>(36,332)</u>	<u>(19,541)</u>
Profit for the period		<u>687,516</u>	<u>681,899</u>
Attributable to:			
Shareholders of the Company		680,356	665,299
Non-controlling interests		<u>7,160</u>	<u>16,600</u>
		<u>687,516</u>	<u>681,899</u>
Interim dividend declared after the interim period end	6(a)	<u>98,129</u>	<u>92,357</u>
Earnings per share – basic and diluted	7	<u>HK\$1.18</u>	<u>HK\$1.15</u>
Interim dividend per share	6(a)	<u>HK\$0.17</u>	<u>HK\$0.16</u>

MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED*(Incorporated in Hong Kong with limited liability)***(Stock Code: 71)****INTERIM RESULTS
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for the six months ended
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	For the six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Profit for the period	<u>687,516</u>	<u>681,899</u>
Other comprehensive income for the period (after tax and reclassification adjustments):		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of the financial statements of overseas subsidiaries	(1,382)	778
Changes in fair value of available-for-sale securities	<u>(11,677)</u>	<u>1,179</u>
	<u>(13,059)</u>	<u>1,957</u>
Total comprehensive income for the period	<u><u>674,457</u></u>	<u><u>683,856</u></u>
Attributable to:		
Shareholders of the Company	667,282	667,115
Non-controlling interests	<u>7,175</u>	<u>16,741</u>
Total comprehensive income for the period	<u><u>674,457</u></u>	<u><u>683,856</u></u>

There is no tax effect relating to the above component of other comprehensive income.

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	<i>Note</i>	At 30 June 2013 <i>HK\$'000</i> (unaudited)	At 31 December 2012 <i>HK\$'000</i> (audited)
Non-current assets			
Fixed assets	8		
– Investment properties		10,978,674	10,535,158
– Other fixed assets		<u>810,934</u>	<u>844,641</u>
		11,789,608	11,379,799
Interest in associates		2,158	2,102
Interest in a joint venture		10,802	7,692
Available-for-sale securities		259,573	250,234
Deferred tax assets		<u>82</u>	<u>33,608</u>
		<u>12,062,223</u>	<u>11,673,435</u>
Current assets			
Properties under development for sale		62,335	62,297
Inventories		166,632	184,634
Trade and other receivables	9	293,628	338,127
Available-for-sale securities		32,417	31,977
Trading securities		46,808	2,828
Cash and bank balances		2,482,896	1,992,253
Tax recoverable		<u>16,688</u>	<u>15,924</u>
		<u>3,101,404</u>	<u>2,628,040</u>
Current liabilities			
Trade and other payables	10	(457,831)	(520,661)
Bank loans and overdrafts		(1,063,716)	(965,513)
Sales and rental deposits received		(213,656)	(161,638)
Tax payable		<u>(65,167)</u>	<u>(29,166)</u>
		<u>(1,800,370)</u>	<u>(1,676,978)</u>
Net current assets		<u>1,301,034</u>	<u>951,062</u>
Total assets less current liabilities carried forward		<u>13,363,257</u>	<u>12,624,497</u>

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		At 30 June 2013 <i>HK\$'000</i> (unaudited)	At 31 December 2012 <i>HK\$'000</i> (audited)
Total assets less current liabilities brought forward		<u>13,363,257</u>	<u>12,624,497</u>
Non-current liabilities			
Bank loans		(1,259,013)	(1,041,182)
Deferred liabilities		(122,927)	(117,239)
Amounts due to holders of non-controlling interests of a subsidiary	<i>11</i>	(47,237)	(47,438)
Deferred tax liabilities		<u>(220,960)</u>	<u>(218,152)</u>
		<u>(1,650,137)</u>	<u>(1,424,011)</u>
NET ASSETS		<u><u>11,713,120</u></u>	<u><u>11,200,486</u></u>
CAPITAL AND RESERVES			
Share capital		404,062	404,062
Reserves		<u>11,191,558</u>	<u>10,668,584</u>
Total equity attributable to shareholders of the Company		11,595,620	11,072,646
Non-controlling interests		<u>117,500</u>	<u>127,840</u>
TOTAL EQUITY		<u><u>11,713,120</u></u>	<u><u>11,200,486</u></u>

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Notes:

1. BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The interim financial report has been prepared in accordance with same accounting policies adopted in the 2012 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2013 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company and the Group since the 2012 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s review report to the Board of Directors is included in interim financial report to be sent to the shareholder. In addition, this interim financial report has been reviewed by the Company’s Audit Committee.

The financial information relating to the financial year ended 31 December 2012 that is included in the interim financial report as being previously reported information does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2012 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 19 March 2013.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs 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:

- Amendments to HKAS 1, *Presentation of financial statements – Presentation of items of other comprehensive income*
- HKFRS 10, *Consolidated financial statements*
- HKFRS 11, *Joint arrangements*
- HKFRS 12, *Disclosure of interests in other entities*
- HKFRS 13, *Fair value measurement*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Amendments to HKAS 1, Presentation of financial statements – Presentation of items of other comprehensive income

The amendments to HKAS 1 require entities to present the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met separately from those that would never be reclassified to profit or loss. The Group's presentation of other comprehensive income in these financial statements has been modified accordingly.

HKFRS 10, Consolidated financial statements

HKFRS 10 replaces the requirements in HKAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements and HK-SIC 12 *Consolidation – Special purpose entities*. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

HKFRS 11, Joint arrangements

HKFRS 11, which replaces HKAS 31, *Interests in joint ventures*, divides joint arrangements into joint operations and joint ventures. Entities are required to determine the type of an arrangement by considering the structure, legal form, contractual terms and other facts and circumstances relevant to their rights and obligations under the arrangement. Joint arrangements which are classified as joint operations under HKFRS 11 are recognised on a line-by-line basis to the extent of the joint operator's interest in the joint operation. All other joint arrangements are classified as joint ventures under HKFRS 11 and are required to be accounted for using the equity method in the Group's consolidated financial statements. Proportionate consolidation is no longer allowed as an accounting policy choice.

As a result of the adoption of HKFRS 11, the Group has changed its accounting policy with respect to its interests in joint arrangements and re-evaluated its involvement in its joint arrangement. The Group has reclassified the investment from a jointly controlled entity to a joint venture. The investment continues to be accounted for using the equity method and therefore this reclassification does not have any material impact on the financial position and the financial result of the Group.

2. CHANGES IN ACCOUNTING POLICIES (continued)**HKFRS 12, Disclosure of interests in other entities**

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required in HKFRS 12 are generally more extensive than those previously required by the respective standards. Since those disclosure requirements only apply to a full set of financial statements, the Group has not made additional disclosures in this interim financial report as a result of adopting HKFRS 12.

HKFRS 13, Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. Some of the disclosures are specifically required for financial instruments in the interim financial reports. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

3. TURNOVER AND SEGMENT 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 six reportable segments. No operating segments have been aggregated to form the following reportable segments.

Property rental	:	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 and serviced apartment	:	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
Apparel operation	:	The wholesale and retail of apparel

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

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 and a joint venture, other non-operating items and other corporate expenses.

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3. TURNOVER AND SEGMENT REPORTING (continued)

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 period is set out below.

	For the six months ended 30 June 2013						Total HK\$'000
	Property rental HK\$'000	Property development and sales HK\$'000	Hotel and serviced apartment HK\$'000	Food and beverage operation HK\$'000	Travel operation HK\$'000	Apparel operation HK\$'000	
Revenue from external customers	366,948	-	287,874	145,589	572,163	35,180	1,407,754
Inter-segment revenue	-	-	813	3,133	-	-	3,946
Reportable segment revenue	366,948	-	288,687	148,722	572,163	35,180	1,411,700
Elimination of inter-segment revenue							(3,946)
Consolidated turnover							<u>1,407,754</u>
Reportable segment results (adjusted EBITDA)	319,062	(7,613)	104,349	(8,262)	20,691	(25,790)	402,437
Unallocated corporate expenses							(94,457)
Finance costs							307,980
Share of profits less losses of associates							(13,197)
Share of profit of a joint venture							59
Net gain on disposal of properties							422
Net realised and unrealised losses on trading securities							38,783
Net increase in fair value of investment properties	443,328	-	-	-	-	-	(2,410)
Consolidated profit before taxation							<u>443,328</u>
							<u>774,965</u>

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3. TURNOVER AND SEGMENT REPORTING (continued)

	For the six months ended 30 June 2012						Total HK\$'000
	Property rental HK\$'000	Property development and sales HK\$'000	Hotel and serviced apartment HK\$'000	Food and beverage operation HK\$'000	Travel operation HK\$'000	Apparel operation HK\$'000	
Revenue from external customers	341,033	174,721	289,283	136,831	540,961	42,868	1,525,697
Inter-segment revenue	–	–	753	2,816	–	–	3,569
Reportable segment revenue	341,033	174,721	290,036	139,647	540,961	42,868	1,529,266
Elimination of inter-segment revenue							(3,569)
Consolidated turnover							<u>1,525,697</u>
Reportable segment results (adjusted EBITDA)	297,269	(15,345)	112,934	(15,536)	19,967	(5,527)	393,762
Unallocated corporate expenses							<u>(93,952)</u>
Finance costs							299,810
Share of profits less losses of associates							(14,892)
Share of profit of a joint venture							(914)
Net realised and unrealised gains on trading securities							453
Net increase in fair value of investment properties	457,410	–	–	–	–	–	1,263
Consolidated profit before taxation							<u>457,410</u>
							<u>743,130</u>

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Profit before taxation is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
<i>(a) Finance costs</i>		
Interest on bank advances and other borrowings repayable within five years	10,853	12,819
Other borrowing costs	2,344	2,073
	<u>13,197</u>	<u>14,892</u>
<i>(b) Other items</i>		
Dividend and interest income	(24,957)	(15,578)
Reversal of provision for properties held for resale	(1,200)	–
Write off of trade receivables	2,798	–
	<u>2,798</u>	<u>–</u>

5. TAXATION

Taxation in the consolidated income statement represents:

	For the six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the period	49,797	37,256
Over-provision in respect of prior years	(22)	–
	<u>49,775</u>	<u>37,256</u>
Current tax – Overseas		
Provision for the period	1,261	1,417
Under-provision in respect of prior years	81	3,017
	<u>1,342</u>	<u>4,434</u>
Deferred tax		
Origination and reversal of temporary differences	36,332	19,541
	<u>36,332</u>	<u>19,541</u>
	<u>87,449</u>	<u>61,231</u>

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Provision for Hong Kong Profits Tax is calculated at 16.5% (six months ended 30 June 2012: 16.5%) of the estimated assessable profits for the period.

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

Share of associates' taxation for the period of HK\$3,000 (six months ended 30 June 2012: HK\$3,000) is included in the share of profits less losses of associates.

Share of a joint venture's taxation for the period of HK\$83,000 (six months ended 30 June 2012: HK\$Nil) is included in the share of profit of a joint venture.

6. DIVIDENDS**(a) Dividends attributable to the interim period:**

	For the six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Interim dividends declared after the interim period of 17 Hong Kong cents per share (six months ended 30 June 2012: 16 Hong Kong cents per share)	98,129	92,357

The interim dividend declared after the interim period has not been recognised as a liability at the balance sheet date.

(b) Dividends attributable to the previous financial year, approved and paid during the interim period:

	For the six months ended 30 June	
	2013	2012
	HK\$'000	HK\$'000
Final dividends in respect of the previous financial year, approved and paid during the interim period, of 25 Hong Kong cents per share (six months ended 30 June 2012: 23 Hong Kong cents per share)	144,308	132,763

7. 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\$680,356,000 (six months ended 30 June 2012: HK\$665,299,000) and 577,231,252 shares (six months ended 30 June 2012: 577,231,252 shares) in issue during the interim period.

There were no potential dilutive ordinary shares in existence during the six months ended 30 June 2013 and 2012, and hence diluted earnings per share is the same as the basic earnings per share.

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Investment properties of the Group were revalued at 30 June 2013 on a market value basis calculated by reference to net rental income allowing for reversionary income potential. The valuations were carried out by an independent firm of surveyors, DTZ, who have among its staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. During the period, the net increase in fair value of investment properties was HK\$443,328,000 (six months ended 30 June 2012: HK\$457,410,000).

9. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade debtors (net of allowance for doubtful debts) with the following ageing analysis, based on the invoice date (or date of revenue recognition, if earlier), as at the balance sheet date:

	At 30 June 2013 HK\$'000	At 31 December 2012 HK\$'000
0 to 1 month	75,383	94,840
1 month to 2 months	13,505	12,270
Over 2 months	<u>24,546</u>	<u>25,511</u>
Trade receivables	113,434	132,621
Other receivables, deposits and prepayments	<u>180,194</u>	<u>205,506</u>
	<u>293,628</u>	<u>338,127</u>

At 30 June 2013, all of the trade and other receivables are expected to be recovered within one year.

At 31 December 2012, all of the trade and other receivables are expected to be recovered within one year except for the amount of HK\$31,044,000 which was expected to be recoverable after more than one year and recovered during the period.

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 balances before any further credit is granted.

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

	At 30 June 2013 <i>HK\$'000</i>	At 31 December 2012 <i>HK\$'000</i>
Due within 3 months or on demand	74,258	89,443
Due after 3 months but within 6 months	<u>15,497</u>	<u>20,075</u>
Trade payables	89,755	109,518
Other payables	281,840	324,784
Amounts due to holders of non-controlling interests of subsidiaries (see note 11)	73,993	75,886
Amount due to an associate (<i>note</i>)	<u>12,243</u>	<u>10,473</u>
	<u>457,831</u>	<u>520,661</u>

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.

11. AMOUNTS DUE TO HOLDERS OF NON-CONTROLLING INTERESTS OF A SUBSIDIARY

Except the amounts due to holders of non-controlling interests of a subsidiary amounting to HK\$47,237,000 (at 31 December 2012: HK\$47,438,000), which is interest bearing at 6.40% (at 31 December 2012: 6.14%) per annum and not expected to be settled within one year, and the amounts due to holders of non-controlling interests of the subsidiary amounting to HK\$Nil (at 31 December 2012: HK\$4,304,000), which is interest bearing at nil% (at 31 December 2012: 6.14%) per annum and repayable within one year, all of the amounts due to holders of non-controlling interests of subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

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INTERIM DIVIDEND

The Directors declare the payment of an interim dividend of 17 Hong Kong cents per share in respect of the six months ended 30 June 2013 to shareholders listed on the Register of Members at the close of business on 2 October 2013. Dividend warrants for the interim dividend will be despatched by mail to shareholders on or about 18 October 2013.

CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 26 September 2013 to 2 October 2013, both dates inclusive. In order to qualify for the interim dividend for the period, all transfers documents, accompanied by the relevant share certificates, must be lodged with the Registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Wednesday, 25 September 2013.

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 20% as at 30 June 2013 (at 31 December 2012: 19%).

The Group conducts its business primarily in Hong Kong with the related cash flows, assets and liabilities being denominated mainly in Hong Kong dollars. The Group's primary foreign exchange exposure arises from its operation in mainland China as well as certain bank deposits which are denominated in RMB and equity and bond investments which are denominated in USD, GBP, EUR and SGD.

Majority of the Group's financing facilities obtained are denominated in Hong Kong dollars and interests on bank loans and borrowings are chargeable mainly based on certain 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 30 June 2013, total available facilities amounted to approximately HK\$3.0 billion (at 31 December 2012: approximately HK\$2.7 billion), and 77% of that (at 31 December 2012: 74%) were utilised. At 30 June 2013, consolidated net cash were approximately HK\$0.11 billion (at 31 December 2012, consolidated net borrowings: HK\$0.06 billion), of which HK\$0.09 billion was secured borrowings (at 31 December 2012: HK\$0.08 billion).

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EMPLOYEE

As at 30 June 2013, the Group had a total of about 2,170 full-time employees, including 1,630 employed in Hong Kong, 540 employed in the People's Republic of China and the United States of America. The Group invests in its employees and remunerate them in a manner that supports the achievement of the Company mission, vision and strategic objectives. It is the policy of the Group to offer fair pay to employees in terms of their roles and responsibilities, merit and competencies within the organisation; paying them at the appropriate level for the markets in which we operate. The Group adopts a performance culture in which employees are expected to deliver against challenging objectives and to reward them when they do. Employees can expect to receive regular feedback on their performance, to receive formal appraisals annually and to participate in the setting of their objectives. Under the existing system, our employees' remuneration packages are rewarded on a performance-related basis.

TRAINING AND DEVELOPMENT

It is our ongoing efforts to provide opportunities for people development and growth. The new Performance Management System was adopted to enhance overall performance standards and to cultivate the concept of reward for performance starting 2013. All team members have been engaged and knowing what is expected with alignment between company and individual goals to achieve the greatest benefit for individual and the company.

We believe that human resources are the most important asset and we are committed to providing an environment in which our employees at all levels can excel and grow. At the beginning of 2013, an extensive Training and Development Needs Analysis covering all employees was carried out aimed at identifying the training and development needs. A comprehensive Corporate Training Curriculum was then developed for employees at different levels. Essential training programs like Business Knowledge Sharing, Technical Skills Training, Customer Services Training, Languages Training, People Management Training and Personal Effectiveness Training have planned and been rolling out throughout the year. With the continuous efforts of people development, we have been awarded by the Employees Retraining Board on the renewing the honour of Manpower Developer in 2013.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Corporate Governance Code 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 six months ended 30 June 2013.

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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 accounting period covered by the interim report.

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

During the period, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

By Order of the Board
LEE SHAU KEE
Chairman

Hong Kong, 19 August 2013

As at the date of this announcement, (i) the executive Directors 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 are Dr. Patrick Fung Yuk Bun, Mr. Dominic Cheng Ka On and Mr. Alexander Au Siu Kee; (iii) the independent non-executive Directors are Dr. David Sin Wai Kin, Mr. Wu King Cheong, Dr. Timpson Chung Shui Ming, Mr. Howard Yeung Ping Leung and Mr. Thomas Liang Cheung Bui.