MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code: 71)

2013 ANNUAL RESULTS ANNOUNCEMENT

CHAIRMAN'S STATEMENT

Dear Shareholders

On behalf of your Board, I am pleased to present my report on the operations of the Group for the financial year ended 31 December 2013.

Turnover, Profit and Net Asset Value Attributable to Shareholders

The Group's turnover rose by 2% to approximately HK$3,044,000,000 for the financial year ended 31 December 2013 (the "Reporting Period") when compared to the financial year ended 31 December 2012 (the "Last Corresponding Period") (2012: HK$2,974,000,000). Profit attributable to shareholders decreased by 7% year-on-year to approximately HK$1,278,000,000 (2012: HK$1,377,000,000). Excluding the net increase in the fair value of the Group's investment properties, underlying profit attributable to shareholders grew by 7% to approximately HK$478,000,000 (2012: HK$448,000,000). Basic underlying earnings per share rose by 7% to HK$0.83 compared to the Last Corresponding Period (2012: HK$0.78).

Business Overview

The global economy's slow recovery continued and China's introduction of austerity measures and tighter fiscal controls tapered consumption growth. The Group's core businesses of Hotel and Serviced Apartment, Property Rental, Food and Beverage, and Travel managed to perform respectably. The Group focused on delivering our long-term goals of asset and product enhancement, continually responding to our customers' needs, improving service with prudent expansion, in line with our design-oriented lifestyle brand identity.

During the year, the Group responded positively despite the adverse conditions in business and leisure travel with the opening of the new hotel – Mira Moon, while the Hotel and Serviced Apartment business also delivered a satisfactory result. The Property Rental business benefitted from its long-term tenancy agreements and high-value tenant portfolio, while continuing to enhance the quality of its properties, and both its revenue and occupancy rates grew steadily. The result of the Group's multi-brand Food and Beverage business improved as it continued to open new specialty outlets to cater to different tastes and further improved products and services in its portfolio of contemporary restaurants. The Travel business recorded satisfactory results, boosted by a stable operating environment in the overall outbound travel sector and increased online sales.

The Group evaluated the prospects of its Apparel business in light of increasing losses and made a decision during the second half of the year to discontinue this business at the natural expiry of distribution contract terms in December 2013.

Corporate Governance and Social Responsibility

The Group places great emphasis on ensuring that it adheres to sound corporate governance and corporate social responsibility practices. The Group regards the maintenance of a pre-eminent board of directors, sound internal controls and accountability to its shareholders as fundamental to good governance.

Commercial growth and corporate social responsibility are mutually important imperatives for the Group. The Group actively pursues meaningful sustainability and social responsibility initiatives and closely partners in the initiatives of our substantial shareholder, Henderson Land Development Company Limited.

During the year, the Group received several accolades including Indoor Air Quality Certification from the Hong Kong Environmental Protection Department, Hong Kong Green Award from the Green Council, and Excellence in Facility Management from the Hong Kong Institute of Facility Management.

Business Outlook

The Group will continue to invest in the further development of its core businesses as it evolves into a more synergistic, stylish and service-oriented hospitality group with attributes that truly differentiate it in the market.

The Group owns a portfolio of the most precious property assets and will continue to do its best to enhance its value and stable income stream. With a strong balance sheet, financial liquidity, a highly experienced management team, unique branding and almost six decades of business experience, I am confident that the Group is well positioned to meet all the anticipated challenges and opportunities of 2014 and to continue to deliver sustainable growth in returns to our shareholders.

Re-Designation of Directors

Due to my busy schedule, I have tendered my resignation as Chairman and member of both of the Remuneration Committee and Nomination Committee and I am glad to remain as Non-executive Director. At the same time, the Board of Directors has approved at the recommendation of the Nomination Committee that I will be re-designated as a Non-executive Director, and Mr. Lee Ka Shing be re-designated as the Chairman and Chief Executive Officer and will also be appointed as a member of the Remuneration Committee and the chairman of the Nomination Committee with effect from 12 June 2014, being the business date following the forthcoming Annual General Meeting scheduled to be held on 11 June 2014. I wish to thank all my fellow directors for their trust and support during my tenure as Chairman.

Acknowledgement

I would like to take this opportunity to express my gratitude to my fellow directors for their guidance and to all staff for their dedication and hard work.

LEE SHAU KEE
Chairman

Hong Kong, 18 March 2014

CEO'S MESSAGE

Strengthening Our Position as a Lifestyle Hospitality Group

The Group delivered a respectable performance in 2013 against a backdrop of challenging economic conditions. We accomplished this by leveraging the solid Miramar reputation, reinforcing our unique design-oriented lifestyle brand and exploiting our ability to adapt swiftly to changing business conditions.

Our four core business units, Hotel and Serviced Apartment, Property Rental, Food and Beverage, and Travel all performed satisfactorily during the year as the Group continued to consolidate its position as a strong and sustainable, stylish service-oriented hospitality group. In response to the disappointing returns and outlook in the Apparel business, management took a strategic decision to exit this business line at the end of 2013 with the natural expiry of the master distribution contracts.

Hotel and Serviced Apartment Business

Delivering Enhanced Value Propositions with Stylish Products and Services

The Group's Hotel and Serviced Apartment business was impacted by subdued global economic conditions coupled with an increasingly competitive landscape. Management responded proactively by improving its customer-centric approach through the introduction of stylish new products and improved services, thereby enhancing its service-oriented value proposition. The division experienced a slight decline in average daily rate (ADR) and a slight reduction in EBITDA (earnings before interest, tax, depreciation and amortization) to approximately HK$223,800,000.

The highlight of the year was the opening in November of Mira Moon, a unique 91-room boutique hotel located in Hong Kong's bustling Wan Chai district, which epitomizes our positioning as a premier lifestyle-oriented hospitality group. We consider the design-oriented hotel market – featuring high quality, innovative guest services and technology – as an attractive opportunity for the Group and we are currently planning the launch of a third property in this segment. We also focused on increasing our corporate account business and introduced the Mira Plus loyalty program, which extends to our malls and food and beverage operations.

Property Rental Business

Landmark Location Attracting Premium Tenants

The Group's prestigious portfolio of commercial properties in Hong Kong and Mainland China again performed strongly. Our landmark properties in Tsim Sha Tsui include two shopping malls and an office tower spanning approximately 500 meters of prime space in Tsim Sha Tsui's Golden Mile shopping district.

Despite the ongoing global economic uncertainties, the Group was able to benefit from existing multi-year tenancy agreements, a quality tenant portfolio with our ability to attract some of the world's top brands, and the overall enhancement of our facilities in order to achieve growth in revenues of 7% and EBITDA of 8% in 2013.

Miramar Shopping Centre and Mira Mall

Subdued and cautious consumer spending placed pressure on retailers in all categories, resulting in marginal tapering in the rental growth rate. Despite this, the Group's shopping malls, Miramar Shopping Centre (MSC) and Mira Mall, remain resilient with a portfolio of quality tenants. Occupancy rate for MSC remained at 97% during 2013, while an increase in average rental unit rate of 6% over last year was achieved.

Benefitting from a prime location, existing prestigious lifestyle brand tenants and the high throughput of shoppers, our malls continued to attract some of the best known names in the fashion and luxury goods sector as new tenants.

Overall, a change in the tenant mix and the availability of more space following the completion of enhancements to our malls during the previous year resulted in an overall increase in occupancy.

In pursuit of our commitment to offer a more enriched lifestyle experience to customers and better engage tenants, we introduced several unique marketing initiatives during the year. These included live musical performances and special themed holiday events, such as the creation of our own character for Easter. We are also moving towards a finer balance in our trade mix with more quality luxury goods brands and a diverse range of fine dining cuisines, including Chinese, Japanese, Korean and Italian.

Miramar Tower

Miramar Tower experienced a slight decline in occupancy rate to 95%, while the average rental unit rate increased by 19% year-on-year. The impact of a lower growth momentum of the office rental market was negligible and the Group benefitted from long-term rental agreements we have in place with quality tenants. The proximity of Miramar Tower to major shopping malls, diverse dining establishments and parking facilities helped to attract and retain a strong portfolio of quality tenants.

Food and Beverage Business

Diverse Culinary Delights, Popular Contemporary Dining

The Group's vision for its Food and Beverage business is to be the most preferred brand in every cuisine that we serve to our customers. Our long-standing, multi-brand, multi-culinary approach to contemporary dining continues to prove a winning strategy as the Group adjusts its offering to appeal to an increasingly broad range of customers, tastes and trends.

Our wide selection of dining outlets includes a range of popular Chinese, French, Italian and Japanese restaurants of varying customer price points. During the year, we opened a Tsui Hang Village Cantonese restaurant in Causeway Bay, the third in this popular chain, our French Window Brasserie and Bar was re-launched at ifc Mall, and we relocated our famed Yunyan Sichuan restaurant to Times Square, under a new identity as Yun Yan. Also in Times Square, we opened the first School Food, a fun and casual international restaurant chain specializing in popular Korean food.

As our Food and Beverage business has not yet reached profitability, we are encouraged with the overall progress in the past year with revenue up by 12% and losses reduced. We are confident this trend toward profitability will continue as the Group plans to carefully manage challenges such as high costs of renovation and labor in order to increase our value proposition for our customers.

Travel Business

Increasing Overseas Vacation Travel Drives Expansion

With demand for travel services continuing to grow, the Group's revenue from travel related business grew substantially. The percentage of customers making online reservations also increased significantly. The business achieved revenue growth of 9% to approximately HK$1,220,900,000 and EBITDA of approximately HK$56,600,000 as more vacationers chose to travel overseas. This was characterized by a steady increase in the outbound travel market, particularly in the high-end vacation segment.

Business Outlook

Recognizing that economic growth is likely to remain steady, the Group will remain both flexible and prudent in our expansion activities, focus on our core businesses and customers and leverage our competitive edge while carefully monitoring the high costs associated with doing business in Hong Kong as well as the high expectations of our customers.

The Group will continue with its asset enhancement program to increase value and shoppers' experience in our malls. This is aimed at enhancing and enlivening our malls under a single brand entity to better demonstrate the Group's lifestyle focus and increase our value proposition.

In our Hotel and Serviced Apartment business, we are in the advance planning stages of a third Mira brand hotel following the success of Mira Moon as we seek to provide visitors with more meaningful lifestyle choices during their stay in Hong Kong. The Group will continue to closely monitor our Food and Beverage business and make strategic adjustments to service, product and pricing in line with market conditions. As evidenced by the successful introduction of School Food, we will also carefully expand our offering where it can enhance the Group's value proposition.

Encouraged by the results in Travel business, the Group will continue to target the outbound market and will further focus on the fast-growing online reservations and sales market.

The Group's professional management team will continue the momentum of our brand, service and product development as we continue to capitalize on market opportunities and strengthen our position as the leading stylish, service-oriented hospitality group. The Group will be able to deliver stable and healthy growth with thorough planning and asset enhancement programs.

LEE KA SHING
CEO

Hong Kong, 18 March 2014

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 year ended 31 December 2013 together with the comparative figures for the corresponding year in 2012 as follows:

CONSOLIDATED INCOME STATEMENT

	Note	2013 HK$'000	2012 HK$'000
Turnover	3	**3,044,459**	2,973,859
Cost of inventories		**(297,800)**	(405,793)
Staff costs		**(525,308)**	(481,724)
Utilities, repairs and maintenance and rent		**(183,837)**	(163,308)
Tour and ticketing costs		**(1,076,918)**	(1,002,469)
Gross Profit		**960,596**	920,565
Other revenue		**76,884**	78,727
Operating and other expenses		**(289,340)**	(305,875)
Depreciation		**(148,025)**	(131,693)
		600,115	561,724
Finance costs	4	**(30,487)**	(30,259)
Share of profits less losses of associates		**(339)**	(670)
Share of profit of a joint venture		**703**	742
		569,992	531,537
Net gain on disposal of properties		**38,783**	41,879
Net gain on disposal of subsidiaries		**48,241**	–
Net gain on trading securities/available-for-sale securities		**2,257**	13,068
Net increase in fair value of investment properties		**799,810**	929,079
Profit before taxation		**1,459,083**	1,515,563
Taxation	5		
– Current		**(114,043)**	(79,038)
– Deferred		**(43,000)**	(28,946)
Profit for the year carried forward		**1,302,040**	1,407,579

CONSOLIDATED INCOME STATEMENT (Continued)

	Note	2013 HK$'000	2012 HK$'000
Profit for the year brought forward		**1,302,040**	1,407,579
Attributable to:			
Shareholders of the Company		**1,277,889**	1,377,111
Non-controlling interests		**24,151**	30,468
		1,302,040	1,407,579
Dividends attributable to the year:	*6*		
Interim dividend		**98,129**	92,357
Final dividend		**155,852**	144,308
		253,981	236,665
Earnings per share – basic and diluted	*7*	**HK$2.21**	HK$2.39

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2013	2012
	HK$'000	*HK$'000*
Profit for the year	**1,302,040**	1,407,579
Other comprehensive income for the year (after tax and reclassification adjustments):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of the financial statements of overseas subsidiaries	**16,657**	6,504
Available-for-sale securities		
– changes in fair value	**13,736**	7,246
– transfer to profit or loss upon disposal	**844**	–
– transfer to profit or loss upon impairment	**293**	–
	31,530	13,750
Total comprehensive income for the year	**1,333,570**	1,421,329
Attributable to:		
Shareholders of the Company	**1,305,544**	1,389,971
Non-controlling interests	**28,026**	31,358
Total comprehensive income for the year	**1,333,570**	1,421,329

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

CONSOLIDATED BALANCE SHEET

	Note	**2013** *HK$'000*	2012 *HK$'000*
Non-current assets			
Fixed assets			
– Investment properties		**11,078,791**	10,535,158
– Other fixed assets		**1,067,255**	844,641
		12,146,046	11,379,799
Interest in associates		**1,816**	2,102
Interest in a joint venture		**10,017**	7,692
Available-for-sale securities		**407,529**	250,234
Deferred tax assets		**2,774**	33,608
		12,568,182	11,673,435
Current assets			
Properties under development for sale		**–**	62,297
Inventories		**152,195**	184,634
Trade and other receivables	*8*	**304,729**	338,127
Available-for-sale securities		**33,940**	31,977
Trading securities		**7,238**	2,828
Cash and bank balances		**2,874,785**	1,992,253
Tax recoverable		**22,155**	15,924
		3,395,042	2,628,040
Current liabilities			
Trade and other payables	*9*	**(616,420)**	(520,661)
Bank loans and overdrafts		**(798,127)**	(965,513)
Sales and rental deposits received		**(185,888)**	(161,638)
Tax payable		**(39,412)**	(29,166)
		(1,639,847)	(1,676,978)
Net current assets		**1,755,195**	951,062
Total assets less current liabilities carried forward		**14,323,377**	12,624,497

CONSOLIDATED BALANCE SHEET (continued)

	Note	2013 HK$'000	2012 HK$'000
Total assets less current liabilities brought forward		**14,323,377**	12,624,497
Non-current liabilities			
Bank loans		**(1,691,652)**	(1,041,182)
Deferred liabilities		**(126,789)**	(117,239)
Amount due to holders of non-controlling interests of a subsidiary	*10*	**–**	(47,438)
Deferred tax liabilities		**(232,601)**	(218,152)
		(2,051,042)	(1,424,011)
NET ASSETS		**12,272,335**	11,200,486
CAPITAL AND RESERVES			
Share capital		**404,062**	404,062
Reserves		**11,731,691**	10,668,584
Total equity attributable to shareholders of the Company		**12,135,753**	11,072,646
Non-controlling interests		**136,582**	127,840
TOTAL EQUITY		**12,272,335**	11,200,486

Notes:

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), 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 statements are consistent with those used in the 2012 annual financial statements except the changes set out in note 2.

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*

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

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

2. CHANGES IN ACCOUNTING POLICIES (CONTINUED)

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 arrangements. The Group has reclassified the investment from jointly controlled entity to 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.

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 by HKFRS 12 are generally more extensive than those previously required by the respective standards. To the extent that the requirements are applicable to the Group, the Group has provided in the Group's annual report.

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. To the extent that the requirements are applicable to the Group, the Group has provided those disclosures in the Group's annual report. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

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

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 serviced apartment 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 and serviced apartment, food and beverage, travel and apparel operations.

(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 and share of profit of a joint venture, other non-operating items and other corporate expenses.

3. TURNOVER AND SEGMENT REPORTING (CONTINUED)

(a) Segment results (continued)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2013 and 2012 is set out below.

	2013						
	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*	Total *HK$'000*
Revenue from external customers	741,785	62,745	616,407	320,017	1,220,946	82,559	3,044,459
Inter-segment revenue	–	–	2,427	5,980	–	–	8,407
Reportable segment revenue	741,785	62,745	618,834	325,997	1,220,946	82,559	3,052,866
Elimination of inter-segment revenue							(8,407)
Consolidated turnover							3,044,459
Reportable segment results (adjusted EBITDA)	631,763	(13,222)	223,771	(21,105)	56,643	(80,284)	797,566
Unallocated corporate expenses							(197,451)
							600,115
Finance costs							(30,487)
Share of profits less losses of associates							(339)
Share of profit of a joint venture							703
Net gain on disposal of properties							38,783
Net gain on disposal of subsidiaries							48,241
Net gain on trading securities/ available-for-sale securities							2,257
Net increase in fair value of investment properties	799,810	–	–	–	–	–	799,810
Consolidated profit before taxation							1,459,083

3. TURNOVER AND SEGMENT REPORTING (CONTINUED)

(a) Segment results (continued)

	2012						
	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*	Total *HK$'000*
Revenue from external customers	690,091	172,660	615,036	285,133	1,119,793	91,146	2,973,859
Inter-segment revenue	–	–	1,871	5,345	–	–	7,216
Reportable segment revenue	690,091	172,660	616,907	290,478	1,119,793	91,146	2,981,075
Elimination of inter-segment revenue							(7,216)
Consolidated turnover							2,973,859
Reportable segment results (adjusted EBITDA)	586,433	(20,901)	233,611	(39,561)	35,476	(35,162)	759,896
Unallocated corporate expenses							(198,172)
							561,724
Finance costs							(30,259)
Share of profits less losses of associates							(670)
Share of profit of a joint venture							742
Net gain on disposal of properties							41,879
Net gain on trading securities							13,068
Net increase in fair value of investment properties	929,079	–	–	–	–	–	929,079
Consolidated profit before taxation							1,515,563

3. TURNOVER AND SEGMENT 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 joint venture, the location of operations.

	Revenue from external customers		**Non-current assets**	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
The Hong Kong Special Administrative Region	**2,780,126**	2,622,447	**11,423,872**	10,684,759
The People's Republic of China	**201,588**	178,752	**734,007**	704,834
The United States of America	**62,745**	172,660	**–**	–
	3,044,459	2,973,859	**12,157,879**	11,389,593

4. FINANCE COSTS

	2013	2012
	HK$'000	*HK$'000*
Interest on bank advances and other borrowings repayable within five years	**25,157**	26,247
Other borrowing costs	**5,330**	4,012
	30,487	30,259

5. TAXATION

Taxation in the consolidated income statement represents:

	2013	2012
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**108,804**	71,154
Over-provision in respect of prior years	**(233)**	(370)
	108,571	70,784
Current tax – Overseas		
Provision for the year	**5,472**	5,358
Under-provision in respect of prior years	**–**	2,896
	5,472	8,254
Deferred tax		
Change in fair value of investment properties	**5,345**	16
Origination and reversal of temporary differences	**37,655**	28,930
	43,000	28,946
	157,043	107,984

Provision for Hong Kong Profits Tax is calculated at 16.5% (2012: 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 year ended 31 December 2013 of HK$7,000 (2012: HK$7,000) is included in the share of profits less losses of associates.

Share of a joint venture's taxation for the year ended 31 December 2013 of HK$148,000 (2012: HK$34,000) is included in the share of profit of a joint venture.

6. DIVIDENDS

Dividends attributable to the year

	2013	2012
	HK$'000	*HK$'000*
Interim dividend declared and paid of HK$0.17 per share (2012: HK$0.16 per share)	**98,129**	92,357
Final dividend proposed after the balance sheet date of HK$0.27 per share (2012: HK$0.25 per share)	**155,852**	144,308
	253,981	236,665

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

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$1,277,889,000 (2012: HK$1,377,111,000) and 577,231,252 shares (2012: 577,231,252 shares) in issue during the year.

There were no potential dilutive ordinary shares in existence during the years ended 31 December 2013 and 2012, and hence diluted earnings per share is the same as the basic earnings per share.

8. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are trade debtors (net of allowance 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:

	2013	2012
	HK$'000	*HK$'000*
0 to 1 month	**71,902**	94,840
1 month to 2 months	**15,867**	12,270
Over 2 months	**19,235**	25,511
Trade receivables	**107,004**	132,621
Other receivables, deposits and prepayments	**197,725**	205,506
	304,729	338,127

At 31 December 2013, all of the trade and other receivables are expected to be recovered within one year.

All of the trade and other receivables at 31 December 2012 were 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 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.

9. TRADE AND OTHER PAYABLES

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

	2013	2012
	HK$'000	*HK$'000*
Due within 3 months or on demand	**79,482**	89,443
Due after 3 months but within 6 months	**21,784**	20,075
Trade payables	**101,266**	109,518
Other payables	**379,880**	324,784
Amounts due to holders of non-controlling interests of subsidiaries *(see note 10)*	**122,474**	75,886
Amounts due to associates *(note)*	**12,800**	10,473
	616,420	520,661

Note: Amounts due to associates are 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.

10. 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$Nil (2012: HK$47,438,000), which is interest bearing at Nil (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 a subsidiary amounting to HK$48,408,000 (2012: HK$4,304,000), which is interest bearing at 6.40% (2012: 6.14%) per annum and repayable within one year, all the amounts due to holders of non-controlling interest of subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

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, 11 June 2014 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 28 April 2014.

CHANGES IN THE COMPANY'S ARTICLES OF ASSOCIATIONS

In view of the statutory changes under the Companies Ordinance, Chapter 622 which came into operation on 3 March 2014, a special resolution to adopt a new set of the Company's Articles of Association which incorporates amendments to the existing Articles of Association will be proposed at the forthcoming Annual General Meeting. The announcement and circular for the proposed amendments to the Company's Articles of Association 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 28 April 2014.

DIVIDEND

The Board of Directors recommends the payment of a final dividend of 27 Hong Kong cents per share in respect of the year ended 31 December 2013 to shareholders listed on the Register of Members at the close of business on 23 June 2014. Subject to the approval to be obtained at the AGM, the dividend warrants for the proposed final dividend will be despatched by mail to shareholders on or about 3 July 2014.

CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 9 June 2014 to 11 June 2014, both days inclusive, during which period no requests for transfer of shares will be accepted. In order to determine members who are entitled to attend and vote at the AGM, 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 Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, 6 June 2014.

In addition, the Register of Members of the Company will also be closed from 18 June 2014 to 23 June 2014, both days inclusive, during which period no requests for transfer of shares will be accepted. 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 Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Tuesday, 17 June 2014.

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 21% as at 31 December 2013 (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 the 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, SGD and JPY.

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 31 December 2013, total available facilities amounted to approximately HK$3.0 billion (2012: approximately HK$2.7 billion), and 83% of that (2012: 74%) were utilised. At 31 December 2013, consolidated net cash were approximately HK$0.34 billion (2012: consolidated net borrowings of HK$0.06 billion), of which none was secured borrowings (2012: HK$0.08 billion).

EMPLOYEES

As at 31 December 2013, the Group had a total of about 2,080 full-time employees, including 1,750 employed in Hong Kong, 330 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 offers fair pay to employees in terms of their roles and responsibilities, merit and competencies within the organization; 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 growth. 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 been rolling out throughout the year.

A Group-wide employee engagement survey was carried out in the 2nd half of the year to measure and advance our employee engagement level in 5 dimensions, including credibility, respect and fairness, as well as pride and camaraderie with 82% of all employees participating. The findings from the survey questions are the key indicators for our continuous efforts to provide a good and trust working environment to our employees.

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") for the year ended 31 December 2013.

SCOPE OF WORK OF KPMG

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2013 have been compared by the Company's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by the auditors on this Announcement.

AUDIT COMMITTEE

The Audit Committee has reviewed the financial results of the Group for the year ended 31 December 2013 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 year ended 31 December 2013, 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 year ended 31 December 2013.

By Order of the Board
LEE SHAU KEE
Chairman

Hong Kong, 18 March 2014

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 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, Dr. Timpson Chung Shui Ming, Mr. Howard Yeung Ping Leung and Mr. Thomas Liang Cheung Biu.