MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 71)

2006/2007 ANNUAL RESULTS ANNOUNCEMENT

CHAIRMAN'S STATEMENT

Dear Shareholders

During the year, the Group's turnover was approximately HK$1,434,000,000 (2006: HK$1,662,000,000). After deducting contribution from its land-sales project in the US and net increase in the fair value of its investment properties, the profit before tax generated from its core businesses was HK$404,000,000 (2006: HK$343,000,000), an increase of 18%. Profit attributable to shareholders was approximately HK$688,000,000 (2006: HK$1,169,000,000).

The year 2006/2007 was a good one for Hong Kong and for Asia as a whole, with robust economic growth driving increased leisure, travel, shopping and dining activities across the region. In Hong Kong, rising salaries and good corporate profits have boosted consumption, while the city's popularity as a business hub for Asia has ensured a steady stream of overseas visitors throughout the year. All these factors have been positive news for the Group, and have translated into improved performances in most areas of its core businesses.

China is predicted to continue to thrive in the coming year, while Hong Kong is responding very positively to an economic upsurge. This larger context has set the scene for promising developments from the Group in the year 2007/2008. I am confident that, from the Group's strong financial position and with a number of exciting new plans in place for improving the quality of its assets and boosting returns from them, the Group under the guidance of Mr. Martin Lee, the Group's newly-appointed Managing Director, is extremely well-positioned for future growth. We firmly believe that our new initiatives will be of direct benefit to our shareholders, bringing with them new ways of maximizing shareholder returns.

I would like to express my sincere appreciation to the Board of Directors for their support and guidance over the past year, and to the individual employees of the Group's different businesses for their hard work and ongoing commitment to the Group's success.

LEE SHAU KEE

Chairman

Hong Kong, 27 June 2007

MANAGING DIRECTOR'S MESSAGE

Since becoming Managing Director in August 2006, I have been looking closely at opportunities for expansion and careful diversification. The Group having a solid base with a long history, and a strong tradition for quality is very well positioned for taking challenges with new ventures and innovations. Our key brands, including Hotel Miramar and the Miramar Shopping Centre, are widely known and extensively patronised by travellers and shoppers. Furthermore, good financial management over the years has put us in the enviable position of enjoying high liquidity and low gearing.

The Group is in an excellent position to show renewed ambition and grasp new opportunities. Our first step must be to ensure that our prime assets remain attractive to an expanded new generation of consumers. We have already begun this process by undertaking a renovation of the Miramar Shopping Centre over the past year, helping us improve the centre's retail popularity and tenant mix. The next step will be more significant. We plan to introduce a much larger scale renovation plan aiming for a total makeover of Hotel Miramar, beginning August 2007. This will transform it into a sophisticated upscale business hotel, offering an atmosphere of stylish contemporary living. We expect the level of required investment will generate positive returns for us.

The MTR Corporation's recent announcement of plans to build a tunnel linking the Tsim Sha Tsui MTR station with the Hotel Miramar, the Miramar Shopping Centre and their direct neighbour is a major coup for the Group. The direct link will help merge the Group's adjacent properties in a way that will enable the different components to fully complement each other, creating a truly mixed-use environment that shall enhance returns. Further, we will be able to fully integrate our assets and conveniently stand out into the tourist and shopping circuit in Kowloon, and we expect to see positive contributions for our profits through this investment.

These initiatives will set the tone for the Group's future growth, which will be marked by modernization, expansion, and a readiness to explore new and exciting possibilities.

BUSINESS REVIEW

General overview

During the year, the Group's turnover was approximately HK$1,434,000,000 (2006: HK$1,662,000,000). The Group's profit before tax was HK$864,000,000 (2006: HK$1,509,000,000) for the year. After deducting contribution from its land-sales project in the US of approximately HK$23,000,000 (2006:HK$288,000,000) and net increase in the fair value of its investment properties of approximately HK$437,000,000 (2006: HK$878,000,000), the profit before tax generated from its core businesses was HK$404,000,000 (2006: HK$343,000,000), an increase of 18%. Profit attributable to shareholders was approximately HK$688,000,000 (2006: HK$1,169,000,000).

The Group's activities revolve around five core separate but related businesses. Its hotel operations include owning and/or providing management services for hotels and serviced apartment blocks. A separate property arm owns and manages shopping malls and offices, and leases space to tenants. The Group's food & beverage operations involve the running of several restaurants, situated within the hotels and shopping malls that it owns and elsewhere. Finally, its travel business takes the form of a travel agency that arranges travel and tours. In the year under review, all five of these sectors performed well and reported growth in turnover.

Hotel ownership and hotel management business

Besides ownership or part-ownership of hotels and serviced apartment blocks, the Group's hotel and serviced apartments business also carries out hotel management operations. The Group currently possesses one wholly-owned and operated hotel, the Hotel Miramar in Kowloon. The Group has part-ownership of two other hotels, while for another three non-owned hotels the Group is contracted to provide hotel management services. Similarly, the Group has one wholly-owned serviced apartment block that it operates, and also provides management services for a second, non-owned block. In total, the Group owns and/or provides management services for eight hotels and serviced apartment blocks.

A robust China economy and a refreshed Hong Kong one has kept visitor arrivals high, including a good flow of business travellers from around the world who make up the key target market for the Group's Hotel Miramar. This environment has benefited the Group's hotel and serviced apartments operations, leading to good returns over the year and healthy occupancy rates. The Hotel enjoys a very diversified client base, with similar percentages of guest arrivals coming from China, Europe, South-East Asia and North America. Turnover for this area of the Group's operations increased by 13% over the previous year, reflecting strong demand for quality accommodation in Hong Kong and the good reputation maintained by the Group's hotels, including its flagship Hotel Miramar in Kowloon. Over the year, the average room rate at the Hotel Miramar increased by 17% over the average for the previous year, while at the same time the hotel maintained a very healthy occupancy rate of 90%. With ambitious plans for a makeover of this hotel in the coming year, the Group expects the Hotel Miramar to emerge as one of Hong Kong's most sought-after places to stay. Its attractiveness will be further boosted by the MTR Corporation's plans to develop a pedestrian tunnel that will eventually link the Hotel Miramar with its nearby shopping malls and with the Tsim Sha Tsui MTR station.

Besides its flagship Hotel Miramar, the Group also operates seven other hotel and serviced apartment complexes in Hong Kong and Mainland China, all of which performed steadily over the year. Its status and reputation within the industry meant that the Group's hotel and hotel management division remained a major contributor to the Group's turnover and profitability in 2006/2007. In terms of its contribution to overall turnover, this sector achieved double-digit growth, while also contributing 34% of profits for the year.

Property business

The Group's property business includes both property investment and sales. A major contributor is its Miramar Shopping Centre, a mall located in the heart of the tourist and shopping areas of Tsim Sha Tsui and which is adjacent to the Group's Hotel Miramar Shopping Arcade. In a move to upgrade its market positioning and image, over the past year the Group directed some investment into renovating and upgrading the mall environment, a move which has enabled it to simultaneously adjust the tenant mix there and in the process improve its rental returns. During the year, average rental rates for new and renewed leases were in line with the market, as older leases drawn up in the property downturn have expired and been replaced with new ones reflecting current market values. A number of other leases are coming up for renewal in the coming year, and the Group expects the overall average increment rate to rise as more and more retailers become locked into a new lease cycle that fully reflects the current robust economy and property market. Office rentals have also seen the effects of a much-improved economic climate, with the increment achieved on new and renewed leases at the Group's office tower over the year standing at around 70%. Meanwhile, the Group was able to maintain occupancy rates at a very healthy rate of around 90%.

Overall, turnover for the Group's property business increased by 8% over the year in relation to its Hong Kong and China property assets (i.e. excluding the Group's US property activities). Its property business currently contributes around 60% of the Group's total profits, and the Group is working hard to maintain the portfolio's value and boost the levels of return thereof.

The US property market has slowed considerably over recent months, and as a result the Group's overseas land-sales project at Placer County, California has been placed on hold, with no transactions recorded during the year. Currently, 80 acres (290 lots) of residential land and 70 acres of commercial land remain available for sale there.

The Group's Hong Kong shopping malls will become even more attractive and accessible to shoppers in Tsim Sha Tsui in a few years, following the proposal by the MTR Corporation to build a tunnel which will, amongst other things, to link the Tsim Sha Tsui MTR station with the Miramar Shopping Centre and the Hotel Miramar.

Food and beverage operations

During the year, the Group worked to move its steady food and beverage operations into new areas that could generate greater public interest and patronage. It put a lot of effort into building up its high-performing restaurant duo Cuisine Cuisine and Lumiere, located in the prestigious IFC II complex. The consolidated results of these two outlets, which are situated alongside each other in IFC II, have been good, and there remains scope for even better results as the restaurants become more established and the synergies between them are further exploited. Elsewhere, the Group used its resources to boost its high-performing restaurants. With its less high-profile outlets, the Group ensured that efficient cost controls were in place so that returns were in line with expenditure. As a result of these initiatives, aggregate turnover of its continuing food and beverage outlets over the year rose by around 8%, a reasonable sign in a city where F&B competition is high. In terms of its contribution to overall turnover, this area of the Group's operations experienced single digit growth over last year's percentage figure.

Travel business

Over the past year the Group has taken some bold initiatives to revitalize and improve its travel business. Miramar Travel, created in 2006, primarily looks after the tour business that was previously handled by the Group's Miramar Express travel agency brand. Miramar Express is now responsible primarily for commercial ticketing, hire car and cruise business. As part of the restructuring of its travel business, the Group hired successful travel experts from within the industry. Under new and dynamic leadership since June 2006, the travel division has developed in new directions and responded with a significant rise in turnover. Turnover grew by 44% over the previous year.

More importantly, perhaps, was a significant shift back towards profitability. After struggling in recent years in an industry that typically works on very tight margins, the revitalization of the travel division over the past twelve months has seen its loss for the past fiscal year minimized, setting the scene for what the Group expects to be a return to profitability in the coming year. This is a remarkable achievement given the special challenges of the travel industry in Asia.

The travel business, through the Group's travel agency Miramar Travel and Miramar Express, has been enterprising over the past year in expanding the range of products and services that it can offer its customers. For individuals and private groups, the Group added a number of new package tours and itineraries which have succeeded in boosting customer numbers. Meanwhile, the Commercial travel department has marketed itself strongly to the government and commercial sectors and achieved a satisfactory performance as a result. Leading cruise companies, OCEANIA and CRYSTAL, appointed the Group's cruise department as their official general agent for Hong Kong, a move that has significantly boosted the Group's growing cruise business activities.

Future plans and prospects

In view of the positive economic environment, the Group is entering a new phase in which it plans to engage in more ambitious activity than it has typically done over the past ten years. In line with this, a number of changes are being implemented to symbolize the beginning of a new era of operations. The Group's administrative head office, for instance, will be relocated to a new location to make room for expansion of the Hotel Miramar. At the same time, to better prepare for future growth, the Group is embarking on a programme of actively recruiting new talents across its business sectors, with the aim of building a management and operational pool with further strength and depth.

As mentioned above, some of the Group's key assets will be upgraded to maintain the Group's public profile for quality and style and to enhance their competitiveness in the marketplace. In particular, as part of the Group's planned relaunching of its Miramar Hotel as a sophisticated contemporary business hotel, plans to have a large-scale renovation to transform the hotel's facade, lobby, restaurants, ballrooms and guest suites are in progress. Overseen by renowned architects, planners and designers, this work will take place in phases, beginning from August 2007 and running through to the middle of 2008. The investment involved in this renovation will have the effect of transforming the Hotel Miramar into a truly world-class hotel, competing in the 'upper upscale' hotel segment. Once renovation is completed, visitors to the hotel will be able to see a distinctly clear style that will be eventually extended into further development within the Hotel Miramar Shopping Arcade and Miramar Shopping Centre, making the 'Miramar' site a unique and prominent Tsim Sha Tsui landmark.

The Group also benefits from the pedestrian subway project at the Tsim Sha Tsui MTR station proposed by the MTR Corporation. In conjunction with this, the Group is also considering to carry out major renovations that will help link up its Miramar Shopping Centre and Hotel Miramar Shopping Arcade, creating an integrated and highly accessible shopping environment for a larger number of shoppers coming through the newly-constructed pedestrian subway.

LEE KA SHING

Managing Director

Hong Kong, 27 June 2007

MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 71)

2006/2007 ANNUAL RESULTS ANNOUNCEMENT

BUSINESS RESULTS

The Board of Directors of Miramar Hotel and Investment Company, Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2007 together with the comparative figures of the prior year as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH

	Note	**2007**	2006
		HK$'000	*HK$'000*
Turnover	*3*	**1,434,088**	1,662,862
Cost of inventories		**(123,232)**	(123,789)
Cost of properties under development		**–**	(152,342)
Staff costs		**(245,873)**	(238,452)
Utilities, repairs and maintenance and rent		**(97,722)**	(95,695)
Tour and ticketing costs		**(400,761)**	(270,432)
		566,500	782,152
Other revenue	*4*	**69,996**	26,023
Other income/(loss), net	*4*	**968**	(580)
		637,464	807,595
Operating and other expenses		**(133,793)**	(108,843)
Operating profit before depreciation and amortisation		**503,671**	698,752
Depreciation and amortisation		**(36,928)**	(37,432)
Operating profit		**466,743**	661,320
Finance costs		**(40,060)**	(37,013)
Share of profits less losses of associates		**2,070**	5,319

	Note	**2007**	2006
		HK$'000	*HK$'000*
Profit before non-operating items		**428,753**	629,626
Reversal of impairment of interest in associates		**–**	1,320
(Provision for)/reversal of impairment of properties held for resale		**(1,022)**	97
Net increase in fair value of investment properties		**436,412**	878,484
Profit before taxation		**864,143**	1,509,527
Taxation	*5*		
– Current		**(88,000)**	(166,062)
– Deferred		**(83,377)**	(135,847)
Profit for the year	*3*	**692,766**	1,207,618
Attributable to:			
Shareholders of the Company		**688,439**	1,169,432
Minority interests		**4,327**	38,186
		692,766	1,207,618
Dividends attributable to the year:	*6*		
Interim dividend declared and paid during the year		**86,585**	86,585
Final dividend proposed after the balance sheet date		**138,536**	138,536
		225,121	225,121
Earnings per share – basic and diluted	*7*	**HK$1.19**	HK$2.03

CONSOLIDATED BALANCE SHEET
AT 31 MARCH

	Note	2007 HK$'000	2006 HK$'000
Non-current assets			
Fixed assets	*8*		
– Investment properties		**7,686,995**	7,211,817
– Other fixed assets		**204,003**	210,227
		7,890,998	7,422,044
Interest in associates		**3,068**	7,260
Available-for-sale investments		**34,702**	28,857
Deferred tax assets		**16,516**	17,050
		7,945,284	7,475,211
Current assets			
Properties under development		**236,278**	185,551
Inventories		**92,606**	89,887
Trade and other receivables	*9*	**126,393**	103,878
Restricted cash		**–**	47
Available-for-sale investments		**279,895**	–
Cash and bank balances		**194,646**	451,225
		929,818	830,588

	Note	**2007** **HK$'000**	2006 HK$'000
Current liabilities			
Trade and other payables	*10*	**(342,728)**	(304,497)
Interest-bearing borrowings		**–**	(125,357)
Sales and rental deposits received		**(83,759)**	(71,682)
Tax payable		**(28,091)**	(22,804)
		(454,578)	(524,340)
Net current assets		**475,240**	306,248
Total assets less current liabilities		**8,420,524**	7,781,459
Non-current liabilities			
Interest-bearing borrowings		**(750,828)**	(696,000)
Deferred liabilities		**(68,714)**	(70,586)
Deferred tax liabilities		**(1,108,909)**	(1,023,976)
		(1,928,451)	(1,790,562)
NET ASSETS		**6,492,073**	5,990,897
CAPITAL AND RESERVES			
Share capital		**404,062**	404,062
Reserves		**6,022,714**	5,535,640
Total equity attributable to shareholders of the Company		**6,426,776**	5,939,702
Minority interests		**65,297**	51,195
TOTAL EQUITY		**6,492,073**	5,990,897

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 collectively 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 and methods of computation used in the preparation of the financial report are consistent with those used in the annual financial statements for the year ended 31 March 2006, except for the changes in accounting policies as described below.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. The adoption of these new and revised HKFRSs has not resulted in any significant impact on the Group's result of operations for the year and financial position as at 31 March 2007.

In prior years, financial guarantees issued by the Group were disclosed as contingent liabilities in accordance with HKFRS 4, *Insurance contracts* and HKAS 37, *Provisions, contingent liabilities and contingent assets*. No provisions were made in respect of these guarantees unless it was more likely than not that the guarantee would be called upon.

With effect from 1 April 2006, in order to comply with the amendments to HKAS 39 in respect of financial guarantee contracts, the Group has changed its accounting policy for financial guarantee issued. Under the new policy, financial guarantees issued are accounted for as financial liabilities under HKAS 39 and measured initially at fair value, where material and the fair value can be reliably measured. Subsequently, they are measured at the higher of the amount initially recognised, less accumulated amortisation, and the amount of the provision, if any, that should be recognised in accordance with HKAS 37.

The adoption of these amendments does not have a significant impact on the Group's results of operation and financial position for the financial years 2006 and 2007.

3. REVENUE AND SEGMENTAL INFORMATION

Business segments
For the year ended 31 March 2007

	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$'000*	Inter-segment elimination *HK$'000*	Consolidated *HK$'000*
REVENUE							
Revenue from external customers	396,689	5,833	384,845	199,655	447,066	–	1,434,088
Inter-segment revenue	14,561	–	4,438	–	669	(19,668)	–
Other revenue from external customers	3,682	33,842	4,815	1,562	4,091	–	47,992
Total	414,932	39,675	394,098	201,217	451,826	(19,668)	1,482,080
RESULTS							
Contribution from operations	315,894	23,484	173,880	2,985	(2,857)	–	513,386
Unallocated operating income and expenses							(46,643)
Operating profit							466,743
Finance costs							(40,060)
Share of profits less losses of associates	270	(2,943)	3,964	779	–	–	2,070
Provision for impairment of properties held for resale							(1,022)
Net increase in fair value of investment properties	436,412	–	–	–	–	–	436,412
Taxation							(171,377)
Profit for the year							692,766
Segment assets	7,864,919	333,016	155,674	40,721	112,481	(6,965)	8,499,846
Interest in associates	–	(12,326)	16,576	(1,182)	–	–	3,068
Unallocated assets							372,188
Total assets							8,875,102
Segment liabilities	133,960	2,669	33,219	17,678	76,404	(6,965)	256,965
Unallocated liabilities							2,126,064
Total liabilities							2,383,029
Capital expenditure incurred during the year	33,051	16	5,996	2,015	2,628		
Depreciation and amortisation for the year	16,957	496	11,981	4,875	889		

For the year ended 31 March 2006

	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$'000*	Inter-segment elimination *HK$'000*	Consolidated *HK$'000*
REVENUE							
Revenue from external customers	366,703	450,502	340,161	194,553	310,943	–	1,662,862
Inter-segment revenue	14,374	–	4,327	–	556	(19,257)	–
Other revenue from external customers	2,761	51	3,199	1,666	1,519	–	9,196
Total	383,838	450,553	347,687	196,219	313,018	(19,257)	1,672,058
RESULTS							
Contribution from operations	287,692	287,464	145,381	41	(8,896)	–	711,682
Unallocated operating income and expenses							(50,362)
Operating profit							661,320
Finance costs							(37,013)
Share of profits less losses of associates	308	(1,582)	5,103	1,490	–	–	5,319
Reversal of impairment of interest in associates							1,320
Reversal of impairment of properties held for resale							97
Net increase in fair value of investment properties	878,484	–	–	–	–	–	878,484
Taxation							(301,909)
Profit for the year							1,207,618
Segment assets	7,375,466	627,068	144,493	43,800	35,005	(6,638)	8,219,194
Interest in associates	312	(9,259)	14,453	1,754	–	–	7,260
Unallocated assets							79,345
Total assets							8,305,799
Segment liabilities	130,073	18,131	30,583	14,473	35,390	(6,638)	222,012
Unallocated liabilities							2,092,890
Total liabilities							2,314,902
Capital expenditure incurred during the year	3,476	17	3,836	3,706	1,671		
Depreciation and amortisation for the year	17,620	678	11,744	4,993	896		

Geographical segments
For the year ended 31 March 2007

	The Hong Kong Special Administrative Region *HK$'000*	**The People's Republic of China** *HK$'000*	**The United States of America** *HK$'000*
Revenue from external customers	**1,376,415**	**57,673**	**–**
Segment assets	**7,641,981**	**617,068**	**247,762**
Capital expenditure incurred during the year	**43,026**	**664**	**16**

For the year ended 31 March 2006

	The Hong Kong Special Administrative Region *HK$'000*	The People's Republic of China *HK$'000*	The United States of America *HK$'000*
Revenue from external customers	1,160,573	63,858	438,431
Segment assets	7,120,220	559,827	545,785
Capital expenditure incurred during the year	12,018	671	17

4. OTHER REVENUE AND NET INCOME/(LOSS)

	2007 *HK$'000*	2006 *HK$'000*
Other revenue		
Interest income	**10,240**	7,984
Forfeited deposits	**34,460**	1,545
Sundry income	**25,296**	16,494
	69,996	26,023
Other income/(loss), net		
Gain on disposal of an associate	**968**	–
Loss on disposal of investment properties	**–**	(580)
	968	(580)

5. TAXATION

Taxation in the consolidated income statement represents:

	2007	2006
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**60,913**	50,303
(Over)/under-provision in respect of prior years	**(17)**	536
	60,896	50,839
Current tax – Overseas		
Provision for the year	**12,287**	119,540
Under/(over)-provision in respect of prior years	**14,817**	(4,317)
	27,104	115,223
Deferred tax		
Origination and reversal of temporary differences	**83,377**	135,847
	171,377	301,909

Provision for Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) 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 March 2007 of HK$781,000 (2006: HK$955,000) is included in the share of profits less losses of associates.

6. DIVIDENDS

Dividends attributable to the year:

	2007	2006
	HK$'000	*HK$'000*
Interim dividend declared and paid of 15 cents per share (2006: 15 cents per share)	**86,585**	86,585
Final dividend proposed after the balance sheet date of 24 cents per share (2006: 24 cents per share)	**138,536**	138,536
	225,121	225,121

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$688,439,000 (2006: HK$1,169,432,000) and 577,231,252 shares (2006: 577,231,252 shares) in issue during the year.

There were no potential dilutive ordinary shares in existence during the years ended 31 March 2007 and 2006, and hence the dilutive earnings per share is the same as the basic earnings per share.

8. FIXED ASSETS

Hotel property with net book value of HK$51,170,000 (2006: HK$52,769,000) was valued at 31 March 2007 by an independent firm of surveyors, DTZ Debenham Tie Leung Limited, who has among its staff Fellows of the Hong Kong Institute of Surveyors, on an open market value basis at HK$2,700,685,000 (2006: HK$2,522,184,000). The valuation of hotel property is for information purpose only and has not been incorporated in the financial statements.

9. TRADE AND OTHER RECEIVABLES

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

	2007	2006
	HK$'000	*HK$'000*
Due within 0 to 3 months	**49,781**	42,277
Due more than 3 months	**12,114**	10,558
Trade receivables	**61,895**	52,835
Other receivables	**64,498**	51,043
	126,393	103,878

All of the trade and other receivables are expected to be recovered within one year.

The Group has a defined credit policy. The general credit terms allowed range from 7 to 60 days.

10. TRADE AND OTHER PAYABLES

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

	2007	2006
	HK$'000	*HK$'000*
Due within 3 months or on demand	**65,392**	39,035
Due after 3 months but within 6 months	**4,122**	3,165
Trade payables	**69,514**	42,200
Other payables	**109,824**	101,849
Amounts due to minority shareholders of subsidiaries	**163,390**	160,448
	342,728	304,497

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

Amounts due to minority shareholders of subsidiaries are unsecured, interest-free and have no fixed terms of repayment, except for the amounts due to a minority shareholder of a subsidiary of HK$54,243,000 (2006: HK$52,533,000), which are interest bearing with reference to the prevailing market rate.

DIVIDEND

The Board of Directors recommends the payment of a final dividend of 24 cents per share in respect of the year 2006/2007 to shareholders listed on the Register of Members at the close of business on 24 August 2007. Subject to the approval to be obtained at the Annual General Meeting of the Company to the be held on 24 August 2007, the dividend warrants for the proposed final dividend will be despatched by mail to shareholders on or about 3 September 2007.

CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 20 August 2007 to 24 August 2007, both days inclusive. In order to qualify for the proposed final dividend for the year, 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 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Friday, 17 August 2007.

ANNUAL GENERAL MEETING

The annual general meeting ("AGM") of the Company will be held at the Tsui Hang Village Restaurant, G/F, Miramar Shopping Centre, 132-134 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Friday, 24 August 2007 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 24 July 2007.

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 12% only (at 31 March 2006: 14%) as at 31 March 2007.

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 March 2007, total available facilities amounted to approximately HK$1.8 billion (at 31 March 2006: approximately HK$1.8 billion), and 42% (at 31 March 2006: 46%) were utilized. At 31 March 2007, consolidated net borrowings were approximately HK$0.6 billion (at 31 March 2006: approximately HK$0.4 billion), of which none was secured borrowings (at 31 March 2006: none).

EMPLOYEES

As at 31 March 2007, the Company employed about 1,479 full-time employees, including 1,175 employed in Hong Kong, 302 employed in the People's Republic of China and 2 employed in the United States of America. The Company's remuneration policy is to reward employees on performance basis. Employees' salary is commensurate with their job nature, qualification, individual performance and contribution to the Group. Discretionary bonus and incentive schemes adopted are based on staff and departmental performance which effectively motivate employees' performance. To maintain competitiveness in the employment market, survey on salary and benefits and review of employees' total remuneration package are regularly conducted. Other than the monetary reward, different kinds of fringe benefits like medical and life insurance program, long service award, provision of duty meal, etc., are offered to the employees. Their total remunerations are at competitive levels in the market.

TRAINING

The core business of the Group is service. It makes every sense for the Group to strive for excellence in the area of customer service to sustain its business success. Following the managerial training that the Group had conducted in the first half of the year, its focus has turned to sharpening and enhancing the service for its front-line staff in the remaining months. Programs like Standard Service Procedures Training, Menu Items and Selling Skills Training and Product Knowledge Training are provided to the employees. This year, the Group has appointed a renowned external consultancy company to provide a "Service & Selling Excellence Programme" to the staff, with the aim of shaping their abilities to provide friendly, natural and genuine service.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the year ended 31 March 2007, with deviations from CG Code E.1.1. According to CG Code E.1.1, persons proposed to be appointed or re-elected as directors at a general meeting should be nominated by means of a separate resolution. With the unanimous approval from the shareholders at the Company's Annual General Meeting of 2006, the retiring directors proposed for re-election during the year 2006/2007 were nominated by means of a single resolution.

AUDIT COMMITTEE

The Audit Committee has reviewed the financial results of the Group for the year ended 31 March 2007 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, 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.

By Order of the Board
LEE SHAU KEE
Chairman

Hong Kong, 27 June 2007

As at the date of this announcement, (i) the executive directors of the Company are: Dr. Lee Shau Kee, Mr. Richard Tang Yat Sun, Mr. Colin Lam Ko Yin, Mr. Lee Ka Shing, Mr. Norman Ho Hau Chong, Mr. Eddie Lau Yum Chuen and Mr. Peter Yu Tat Kong; (ii) the non-executive directors of the Company are: Mr. Woo Kim Phoe, 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 Mr. Timpson Chung Shui Ming.