MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 71)

2007/2008
ANNUAL RESULTS
ANNOUNCEMENT

CHAIRMAN'S STATEMENT

For the year ended 31 March 2008, the Group's turnover amounted to approximately HK$1,588,000,000 (2007: HK$1,434,000,000). Profit attributable to shareholders amounted to approximately HK$783,000,000 (2007: HK$688,000,000), representing an increase of 14%. Profit before tax from our core businesses, after deducting the net increase in the fair value of our investment properties and contributions from our US land sales project, was HK$420,000,000 (2007: HK$404,000,000).

During the past year, healthy economic growth in Hong Kong, China and the Asian region benefited the Group both in terms of a strengthening property market and a continuing growth in the travel and tourist market. However, due to the total makeover programme of our flagship Hotel Miramar during part of 2007/08, we have not been able to reap the level of rewards from our hotel segment that might otherwise have been possible. Once the renovation programme is completed in the 2009 fiscal year, our totally rebranded hotel will attract a higher-spending clientele and is expected to bring significant boost in business, while also creating a dynamic contemporary brand image for the Group that we plan to build upon for our future growth and development. With the positive synergies being created amongst our range of related businesses in property investment, food and beverage, and travel, the Group expects all its businesses to continue to thrive, and is set to build a highly recognisable hospitality brand identity that will project a sense of unique corporate style and quality.

Prospects

Business and tourist travel between China and Hong Kong is expected to continue on a positive footing in the next few years. The Group is able to leverage collectively its long experience in these markets; its solid financial base; and the considerable visibility of owning a mixed-use property composing of a hotel, shopping mall and office tower at a very prime location in Hong Kong. Therefore, the Group is in a good position to look to expand its travel and hospitality business in Hong Kong and China, in the form of up-market serviced apartments/hotels or other travel related opportunities through acquisition or joint ventures, and/or providing management services for appropriate hospitality projects. The Group is determined to bring the highest returns for its shareholders.

Despite the temporary impact on the hotel business due to its totally rebranding programme, the Group's overall performance in the coming year is expected to remain stable and in line with continued steady growth of the Hong Kong economy. Barring unforeseen circumstances, operating results for the Group in the forthcoming financial year should remain positive.

Gratitude

Once again, it is my pleasure and privilege to express my gratitude to the Board of Directors, who have been fully supportive over the past year and have ably maintained the Group's forward momentum. In addition, the many employees of the Group across all our businesses deserve recognition for their contributions towards creating and maintaining impeccable service standards.

LEE SHAU KEE
Chairman

Hong Kong, 8 July 2008

MANAGING DIRECTOR'S MESSAGE

For the Group, the year 2007/08 under review has been a year of rejuvenation. This describes the major and ongoing work we have been carrying out on our key properties, including our flagship Hotel Miramar, as part of a carefully planned makeover. The hotel renovation programme began last year and has inevitably impacted on the operating results of our hotel segment, due to the need to take both public spaces and some guest rooms out of service for some months at a time. However, once the renovations are fully completed, our flagship hotel will have been repositioned as one of the most stylish and contemporary business hotels in Tsim Sha Tsui, primarily attracting international and regional travellers. This image will be boosted further by ongoing renovations of our adjacent mixed-use properties, the Miramar Shopping Centre and Office Tower. In the longer run, renovation is a crucial factor in our vision of brand revitalisation, as we seek to shape a new-look hotel enterprise with a high-value target market offering higher returns than ever.

Furthermore, the joint venture project between the Group, the owners of adjacent properties being redeveloped, and the MTR Corporation, involving the building of a tunnel that will link the Tsim Sha Tsui MTR station with the Group's mixed-use complex and a neighbouring property, is planned for the near future. This initiative alone looks set to boost the profile of the properties in this area significantly, and the Group anticipates that this will result in the maximising of returns from its assets.

BUSINESS REVIEW

General overview

The Group is active in four connected core businesses. Its hotel operations business includes ownership of and/or management services for a series of hotels and serviced apartments. Its property business owns and manages shopping malls and offices, providing business and retail tenants with high-quality business locations. The Group's food & beverage operations involve the running of several independent restaurants, while its travel business arranges travel and tours for both individuals and groups.

Hotel ownership and hotel management business

The Group has ownership or part-ownership of a number of hotels and serviced apartments. It also carries out hotel management operations, both for its self-owned hotels and others. Besides the wholly-owned operated Hotel Miramar in Kowloon, the Group has part-ownership of two other hotels, and for another three non-owned hotels it is contracted to provide hotel management services. Similarly, the Group has one wholly-owned serviced apartment that it operates, and also provides management services to a non-owned one. In total, the Group owns and/or provides management services for eight hotels and serviced apartment complexes.

At the heart of the Group's hotel business is its Hotel Miramar, situated on Nathan Road in Kowloon. As part of the Group's plans to make this hotel its brand flagship, projecting an image of contemporary stylish living, the building is currently undergoing a major renovation programme. Begun last year, the makeover has significantly reduced the hotel's capacity over the year under review. As a result, performance for this business sector as a whole fell below that of last year.

The major renovations at the hotel involved closure of its Grand Ballroom and the lobby Café. While the ballroom was being remodelled, several rooms also had to be taken out of service for noise reasons, reducing guest capacity. In April 2008, the Group began its first phase of guest room renovations, which involved closing down 120 guest rooms. These are expected to be re-opened during the third quarter of 2008. The temporary downturn in the hotel's business performance is a necessary strategic measure, and the renovated hotel is expected to significantly boost the Group's revenues in the medium term. Already the advantages are being seen in items such as average per-table prices for banquets held in the Grand Ballroom, which have increased significantly following renovation. The coffee shop in the lobby, having undergone a major redesign and been renamed Yamm, has been put back into service. The Group believes this investment should yield much improved profitability and returns for its shareholders.

Besides the Hotel Miramar, the Group operates seven other hotels and serviced apartments in Hong Kong and Mainland China. These have performed steadily over the year and occupancy rates have remained strong. The Group's hotel and hotel management division remained a significant contributor to the Group's turnover and profitability in 2007-2008, contributing 25% of its profits for the year.

Property business

In the year under review the Hong Kong property market performed very well, impacting directly on the rates that the Group were able to achieve for new leases. In addition to strengthening average rent levels, the Group has also been able to raise rents and improve the quality of its tenant mix to reflect the improved facilities and environment resulting from the renovations it has been making over the past couple of years at its shopping mall.

Part of the Group's property investment business is a land sales project in Placer County, California, with 80 acres of residential land and 70 acres of commercial land remaining. Due to the ongoing property situation in the US, this land sales project remained inactive in the year under review, with no transactions made and no revenue generated. The Group expects to keep this land sales project on hold until the US property market stabilises.

Overall, the Group's property business contributed around 74% of the Group's total profits.

Food and beverage operations

The Group's food and beverage performance has remained stable over the past year, with overall performance at a similar level to last year. The food and beverage market remains a tight and hotly-contested one, in which prices have continued to soar. In this context, the Group has focused on maintaining efficient cost-control measures across its food and beverage outlets, while improving the service standards of its top-level restaurants to promote exceptional fine dining experiences.

Travel business

In this year, revenue from the Group's travel business increased by around 36%. The increase in turnover was primarily due to successful efforts to expand the Group's mass-market tour business. What is more, after some time in which the Group's travel business has struggled to break even, the year under review saw it make a profit. In an industry operating under such intense competition, the substantial growth in turnover and achievement of an operating profit by the Group's travel business can be seen as a very positive achievement.

FUTURE PLANS

Hotel

The progress of transforming the Hotel Miramar into a striking brand flagship for the Group is already well advanced. In the coming year, the Group will continue with its planned initiative to rework the hotel's facade, while completing many of the major internal redesign plans. The result will be that users of the hotel will enjoy a distinctively contemporary feel from the moment they arrive, and inside the hotel itself they will experience one of the city's finest and most sophisticated designer interiors.

The first batch of newly renovated rooms at the hotel is expected to be ready for occupation by the third quarter of this year, with the second batch to begin renovations after that. These should all be completed by early next year. The Group will also be unveiling a new 'Garden Suite' concept room, offering new levels of comfort and style. The Garden Suites will provide a panoramic view of the central podium garden where guests can relax and unwind in the heart of the city. By the first quarter of 2009, the hotel will also begin developing new high-end Chinese and Western restaurants to further enhance its exceptionally high levels of service and hospitality.

While the hotel is transforming its physical appearance to reflect contemporary stylish comfort and quality, its staff are being prepared to implement new levels of service excellence, and are committed to providing genuine quality services for the guests.

Property

As with its initiatives at the Hotel Miramar, the Group's vision for its shopping centre is to transform this asset under a distinctive brand identity associated with classy contemporary living. Over recent years the Group has carried out an ongoing process of upgrading its tenant mix, recruiting tenants that best support an image of youth and trend-setting fashion, and moving the shopping centre more upscale to match its shift upwards in hotel style. This will continue as the shopping centre is further improved in the next few years and its reputation established as a high-profile prestige shopping location.

At the same time, the Group intends to begin renovations of the lobby and corridors of its office tower by the end of this year, with completion planned for the middle of 2009. Renovations at both the office tower and shopping centre are strategically in line with the development of Tsim Sha Tsui and the neighbourhood area as a prestige office district and business centre, one that will particularly benefit from the planned direct connection with the MTR. Construction of the MTR tunnel link is slated to begin in 2009, with completion pencilled for 2012.

Conclusion

The key objective of the Group's extensive programme of renovation and revamp is to build a highly recognisable hospitality brand identity. By utilising such a new identity, the Group is aiming high for future growth and prosperity.

Besides upgrading its hardware, the Group is well aware of the need to reinforce its organizational structure and management pool by actively recruiting experts in the industry from overseas or with international experience. Considerable investment in improving service standards has been made through the provision of comprehensive on-the-job training and training delivered by renowned professional image advisory companies, so as to further boost the Group's corporate image for service quality. In line with its belief that its employees are vitally valuable assets, the Group is offering top staff a number of rewarding programmes and powerful incentives in recognition of their contributions. These are initiatives that are striking an ambitious note for the Group's future growth and expansion, as it stands ready to explore new and exciting possibilities.

Last but not least, the management of the Group would like to express its gratitude to all colleagues for their hard work in ensuring the smooth day-to-day operations of all the Group's businesses during the renovation and transformation period. The Group is relishing the challenges that are following the gradual completion of renovations, and is continuing to work to achieve seamless further growth and to enhance its reputation in the market.

LEE KA SHING
Managing Director

Hong Kong, 8 July 2008

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 2008 together with the comparative figures of the prior year as follows:

CONSOLIDATED INCOME STATEMENT

		For the year ended 31 March	
		2008	2007
	Note	***HK$'000***	*HK$'000*
Turnover	*2*	**1,588,435**	1,434,088
Cost of inventories		**(110,589)**	(123,232)
Staff costs		**(267,938)**	(245,873)
Utilities, repairs and maintenance and rent		**(95,238)**	(97,722)
Tour and ticketing costs		**(544,204)**	(400,761)
Gross Profit		**570,466**	566,500
Other revenue	*3*	**37,776**	69,996
		608,242	636,496
Operating and other expenses		**(143,927)**	(133,793)
Operating profit before depreciation and amortisation		**464,315**	502,703
Depreciation and amortisation		**(36,958)**	(36,928)
Operating profit		**427,357**	465,775
Finance costs		**(36,473)**	(40,060)
Share of profits less losses of associates		**7,558**	2,070

	Note	For the year ended 31 March **2008** *HK$'000*	2007 *HK$'000*
Profit before non-operating items		**398,442**	427,785
Reversal of impairment of interest in associates		**3,966**	–
Reversal of/(provision for) impairment of properties held for resale		**1,017**	(1,022)
Other non-operating net income	*3*	**6,180**	968
Net increase in fair value of investment properties		**470,398**	436,412
Profit before taxation		**880,003**	864,143
Taxation	*4*		
– Current		**(55,254)**	(88,000)
– Deferred		**(24,527)**	(83,377)
Profit for the year	*2*	**800,222**	692,766
Attributable to:			
Shareholders of the Company		**782,573**	688,439
Minority interests		**17,649**	4,327
		800,222	692,766
Dividends attributable to the year:	*5*		
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	*6*	**HK$1.36**	HK$1.19

CONSOLIDATED BALANCE SHEET

	Note	At 31 March **2008** *HK$'000*	2007 *HK$'000*
Non-current assets			
Fixed assets	*7*		
– Investment properties		**8,183,850**	7,686,995
– Other fixed assets		**318,732**	204,003
		8,502,582	7,890,998
Interest in associates		**3,928**	3,068
Available-for-sale investments		**15,943**	34,702
Deferred tax assets		**9,090**	16,516
		8,531,543	7,945,284
Current assets			
Properties under development		**234,902**	236,278
Inventories		**99,191**	92,606
Trade and other receivables	*8*	**130,155**	126,393
Available-for-sale investments		**276,246**	279,895
Cash and bank balances		**292,098**	194,646
		1,032,592	929,818

	Note	At 31 March 2008 HK$'000	2007 HK$'000
Current liabilities			
Trade and other payables	9	**(365,145)**	(342,728)
Interest-bearing borrowings		**(278,979)**	–
Sales and rental deposits received		**(96,364)**	(83,759)
Tax payable		**(11,744)**	(28,091)
		(752,232)	(454,578)
Net current assets		**280,360**	475,240
Total assets less current liabilities		**8,811,903**	8,420,524
Non-current liabilities			
Interest-bearing borrowings		**(514,520)**	(750,828)
Deferred liabilities		**(56,907)**	(68,714)
Deferred tax liabilities		**(1,128,569)**	(1,108,909)
		(1,699,996)	(1,928,451)
NET ASSETS		**7,111,907**	6,492,073
CAPITAL AND RESERVES			
Share capital		**404,062**	404,062
Reserves		**6,630,980**	6,022,714
Total equity attributable to shareholders of the Company		**7,035,042**	6,426,776
Minority interests		**76,865**	65,297
TOTAL EQUITY		**7,111,907**	6,492,073

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 2007, except for the changes in accounting policies as described below.

a. HKFRS 7, Financial instruments: Disclosures

As a result of the adoption of HKFRS 7, the financial statements included expanded disclosure about the significance of the Group's financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by HKAS 32, Financial instruments: Disclosure and presentation.

b. HKAS 1, Presentation of financial statements: Capital disclosures

The amendment to HKAS 1 introduces additional disclosure requirements to provide information about the level of capital and the Group's objectives, policies and processes for managing capital.

Both HKFRS 7 and the amendment to HKAS 1 do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial statements.

2. REVENUE AND SEGMENTAL INFORMATION

Business segments
For the year ended 31 March 2008

	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 from external customers	441,387	1,051	333,792	205,644	606,561	–	1,588,435
Inter-segment revenue	22,819	–	5,203	–	726	(28,748)	–
Other revenue from external customers	2,203	325	6,222	1,037	8,200	–	17,987
Total	466,409	1,376	345,217	206,681	615,487	(28,748)	1,606,422
Contribution from operations	370,396	(10,732)	119,834	6,350	360	–	486,208
Unallocated operating income and expenses							(58,851)
Operating profit							427,357
Finance costs							(36,473)
Share of profits less losses of associates	–	2,831	4,323	404	–	–	7,558
Reversal of impairment of interest in associates							3,966
Reversal of impairment of properties held for resale							1,017
Other non-operating net income							6,180
Net increase in fair value of investment properties	470,398	–	–	–	–	–	470,398
Taxation							(79,781)
Profit for the year							800,222
Segment assets	8,372,437	341,541	264,923	37,574	180,709	(680)	9,196,504
Interest in associates	–	(5,284)	13,064	(3,852)	–	–	3,928
Unallocated assets							363,703
Total assets							9,564,135
Segment liabilities	149,669	4,609	36,117	11,604	79,039	(680)	280,358
Unallocated liabilities							2,171,870
Total liabilities							2,452,228
Capital expenditure incurred during the year	10,782	–	127,584	2,440	2,414		
Depreciation and amortisation for the year	13,122	4	15,223	4,603	1,309		

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 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
Contribution from operations	315,894	23,484	173,880	2,985	(2,857)	–	513,386
Unallocated operating income and expenses							(47,611)
Operating profit							465,775
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)
Other non-operating income							968
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		

Geographical segments
For the year ended 31 March 2008

	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	**1,538,515**	**49,920**	**–**
Segment assets	**8,238,636**	**707,208**	**251,340**
Capital expenditure incurred during the year	**142,634**	**586**	**–**

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

3. OTHER REVENUE AND OTHER NON-OPERATING NET INCOME

	2008 *HK$'000*	2007 *HK$'000*
Other revenue		
Interest income	**16,414**	10,240
Forfeited deposits	**551**	34,460
Sundry income	**20,811**	25,296
	37,776	69,996
Other non-operating net income		
Gain on disposal of available-for-sale investments	**6,180**	–
Gain on disposal of an associate	**–**	968
	6,180	968

4. TAXATION

Taxation in the consolidated income statement represents:

	2008	2007
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax		
Provision for the year	**53,704**	60,913
Over-provision in respect of prior years	**(953)**	(17)
	52,751	60,896
Current tax – Overseas		
Provision for the year	**4,536**	12,287
(Over)/under-provision in respect of prior years	**(2,033)**	14,817
	2,503	27,104
Deferred tax		
Change in fair value of investment properties	**78,671**	77,432
Origination and reversal of temporary differences	**18,086**	5,945
Effect of decrease in tax rate on deferred tax balances	**(72,230)**	–
	24,527	83,377
	79,781	171,377

Provision for Hong Kong Profits Tax is calculated at 17.5% (2007: 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 2008 of HK$705,000 (2007: HK$781,000) is included in the share of profits less losses of associates.

On 16 March 2007, the Tenth National People's Congress approved the Corporate Income Tax Law of the People's Republic of China, under which the new enterprises income tax rates for domestic and foreign enterprises are unified at 25% with effect from 1 January 2008. In addition, on 27 February 2008, the Financial Secretary of the Hong Kong SAR Government announced his annual Budget which proposes a cut in the profits tax rate from 17.5% to 16.5% with effective from the fiscal year 2008-09 and a one-off reduction of 75% of the tax payable for the 2007-08 assessment subject to a ceiling of HK$25,000.

Accordingly, the opening balance of the Group's deferred tax balance was decreased by HK$72,230,000. This opening balance adjustment to deferred tax balance at 1 April 2007 was recognised as a reduction in the current year Group's income tax expenses.

5. DIVIDENDS

Dividends attributable to the year:

	2008 ***HK$'000***	2007 *HK$'000*
Interim dividend declared and paid of 15 cents per share (2007: 15 cents per share)	**86,585**	86,585
Final dividend proposed after the balance sheet date of 24 cents per share (2007: 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.

6. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to shareholders of the Company of HK$782,573,000 (2007: HK$688,439,000) and 577,231,252 shares (2007: 577,231,252 shares) in issue during the year.

There were no potential dilutive ordinary shares in existence during the years ended 31 March 2008 and 2007, and hence the diluted earnings per share is the same as the basic earnings per share.

7. FIXED ASSETS

Hotel property with net book value of HK$49,571,000 (2007: HK$51,170,000) was valued at 31 March 2008 by an independent firm of surveyors, DTZ, who has among its staff Fellows of the Hong Kong Institute of Surveyors, on an open market value basis at HK$2,883,000,000 (2007: HK$2,738,000,000). The valuation of hotel property is for information purpose only and has not been incorporated in the financial statements.

8. TRADE AND OTHER RECEIVABLES

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

	2008	2007
	HK$'000	*HK$'000*
0 to 1 month	**34,431**	31,065
1 to 2 months	**9,803**	13,436
Over 2 months	**13,649**	17,394
Trade receivables	**57,883**	61,895
Other receivables	**72,272**	64,498
	130,155	126,393

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 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 creditors with the following ageing analysis as at the balance sheet date:

	2008	2007
	HK$'000	*HK$'000*
Due within 3 months or on demand	**66,843**	65,392
Due after 3 months but within 6 months	**4,461**	4,122
Trade payables	**71,304**	69,514
Other payables	**127,028**	109,824
Amounts due to minority shareholders of subsidiaries	**166,813**	163,390
	365,145	342,728

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$55,763,000 (2007: HK$54,243,000), which are interest bearing with reference to the prevailing market rate.

10. COMPARATIVE FIGURES

Certain comparative figures have been adjusted or re-classified in conformity with the current year's presentation.

DIVIDEND

The Board of Directors recommends the payment of a final dividend of 24 cents per share in respect of the year 2007/2008 to shareholders listed on the Register of Members at the close of business on 2 September 2008. Subject to the approval to be obtained at the Annual General Meeting of the Company to be held on 2 September 2008, the dividend warrants for the proposed final dividend will be despatched by mail to shareholders on or about 11 September 2008.

CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 27 August to 2 September 2008, both days inclusive. In order to qualify for the proposed final dividend for the year, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Tuesday, 26 August 2008.

ANNUAL GENERAL MEETING

The Annual General Meeting ("AGM") of the Company will be held at The Ballroom, 18/F, Hotel Miramar, 118-130 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Tuesday, 2 September 2008 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 25 July 2008.

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 11% as at 31 March 2008 (at 31 March 2007: 12%).

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 2008, total available facilities amounted to approximately HK$1.4 billion (at 31 March 2007: approximately HK$1.8 billion), and 57% of that (at 31 March 2007: 42%) were utilized. At 31 March 2008, consolidated net borrowings were approximately HK$0.5 billion (at 31 March 2007: HK$0.6 billion), of which none was secured borrowings (at 31 March 2007: none).

EMPLOYEES

As at 31 March 2008, the Company had about a total of 1,440 full-time employees, including 1,242 employed in Hong Kong, 195 employed in the People's Republic of China and 3 employed in the United States of America. The remuneration policies of the Company are designed to attract and retain people of the highest caliber and to motivate them to excel in their careers. The company takes into account the level of pay in the markets in which the Company operates when providing compensation package to employees. We review the salary of our staff regularly in the light of industry practice, market conditions and pressure, internal relativity and the performance of individuals and the Company. Through the performance-based incentive and discretionary bonus schemes, the employees are rewarded and motivated to stimulate good performance. Under the prevailing remuneration system, the employees' pay levels stay competitive in the market.

TRAINING

Field coaching, the most important part of the service enhancement program for Hotel Miramar – "You Make All The Difference" has been conducted in fall 2007. Managers and supervisors were being trained on how to carry out field coaching and conduct briefing which is essential in ensuring the required service standard of our Group. Between December 2007 and March 2008, we have implemented the "mystery shoppers" program to evaluate on the service standard of our hotel rooms and restaurants after training. Results are encouraging. Meanwhile, service enhancement program for "Heading for Excellence" has also been rolled out in all F&B outlets and completed successfully in the early part of 2008. This is a parallel program to the one for the Hotel by which the service standard for the whole group is maintained.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited during the year ended 31 March 2008.

AUDIT COMMITTEE

The Audit Committee has reviewed the financial results of the Group for the year ended 31 March 2008 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, 8 July 2008

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, 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.