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Press Release **[For Immediate Release]**

Miramar Hotel and Investment Company, Limited
Announces 2022 Interim Results

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[Hong Kong – 17 August 2022] Miramar Hotel and Investment Company, Limited ("Miramar" or 'the Group", HKSE stock code: 71) announced today the unaudited interim results for the six months ended 30 June 2022 (the ''period'').

HK$ Million	*For the six months ended 30 June*		
	2022	2021	Change
Revenue	**591**	584	1.2%
Underlying profit attributable to shareholders*	**211**	193	9.2%
Underlying earnings per share*	**30 cents**	28 cents	7.1%
Interim dividend per share	**21 cents**	20 cents	5%

* *Underlying profit attributable to shareholders and underlying earnings per share excluded the post-tax effects of the investment properties valuation movements and non-recurring items such as net gain on disposal of properties*

The Group's revenue for the period amounted to HK$591 million, an increase of 1.2% against the corresponding period last year. Profit attributable to shareholders for the period was HK$204 million with a year-on-year increase of 29.2%. Excluding the revaluation loss on fair value of investment properties of HK$6.8 million, the underlying profit attributable to shareholders increased by 9.2% to HK$211 million. The underlying earnings per share increased by 7.1%, year-on-year, to HK$0.30.

Mr. Lai Ho Man, Miramar's Director of Group Finance, said, "The coronavirus disease ("Covid-19) pandemic, raging for more than two year, has dealt severe blows to the global economy and the local business environment. The pandemic situation gradually improved at the end of the year as the government and various sectors of the society proactively support citywide vaccination.

However, overall business headed to a downward spiral again with the outbreak of the fifth-wave in the first quarter and Hong Kong yet remained under the menace of this ever-mutable virus. The Group's core businesses remained impeded by the social measures and travel restrictions imposed in Hong Kong and various other countries. As such, the Group's core businesses were facing severe challenges in the first half-year."

Hotels and Serviced Apartments Business

The local tourism and hotel industry have entered into a standstill for more than two and a half years no less due to the strict travel restrictions and immigration controls to contain Covid-19, both locally and overseas. During the period, Hong Kong recorded a low average of less than 13,000 arrivals per month, an utter contrast to that before the pandemic. Pursuing the same line of agile and multi-pronged operating strategy as last year, the Group paid particular regard to categories of customers seeking long stay, staycation and serving quarantine. To this end, the Group specially launched several long-stay plans, themed suitecation, and local staycation packages, in collaboration with Korea Tourism Organization and G.H. Mumm, among others. This led to a noticeable room revenue jump of HK$13.4 million, an increase of 53.5%, for The Mira Hong Kong with an increase of 19.1% in the occupancy rate during the period. In sight of the new round of Consumption Voucher Scheme, the Group launched a series of promotions for selected accommodation, food and beverage and hydrotherapy spa packages, which further raised its hotel occupancy rate. However, towards the close of the first quarter up to the end of July, some renovation and asset upgrading projects were undertaken in Mira Moon, and revenue thus decreased by HK$9.8 million, which offset most of increase in room revenue of The Mira Hong Kong. Besides, as the food and beverage business under the hotel segment continued to be dragged by the fifth wave of the pandemic, overall revenue from the hotel and serviced apartment business for the period decreased by 10.0% to HK$107.9 million compared with the same period last year. Earnings before interest, taxes, depreciation and amortization（EBITDA）recorded loss of HK$13.7 million, loss has been widen by HK$6.1 million compared to same period last year.

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Property Rental Business

The fifth wave of the epidemic continued to hit various industries in Hong Kong early this year, especially the retail, catering and tourism industries were at the cusp of the hit. Hong Kong's GDP grew at an annual rate 6.4% last year, but this first quarter saw a drop of 4.0% on year-on-year basis, lower than the pre-pandemic level. Two and a half years into the epidemic, rent level and vacancy rate turned stable in the local leasing market of office, retail and commercial shop. During the period, the Group continued to provide appropriate relief to tenants by way of lease restructuring and rent concessions. The Group's total revenue from property rental business was HK$406.9 million, and EBITDA was HK$349.6 million, both much the same as the prior half-year.

During this challenging period, the Group actively sought to improve customers' shopping experience and mall amenities, which included upgrading the membership program and mobile phone app. Staying in tune with the new consumption norm, the Group unveiled the "MIRAcle Shop & Dine" double reward scheme early in the year. Brands were invited to open pop-up stores and to run featured weekend market fair in order to enlarge target shopper groups and enhance service standards, thereby increasing competitiveness. Responding to the government's new round of Consumption Voucher Scheme, our shopping malls kicked off the "TWOgether Rewards" consumption reward and membership referral reward activities to stimulate footfall and consumption.

Food and Beverage Business

During the period, strict social distancing measures were imposed by the government to contain the fifth wave of the pandemic, which included a ban on evening dine-in at restaurants for 104 days, i.e. from 7 January to 20 April of the year, with the number of diners restricted to two, among others, leading to an inevitable, sharp drop in the total number of diners. The operating environment turned harsh, with no precedent; the food and beverage sector was seriously affected. At the beginning of this year, the Group launched two new restaurants featuring two completely new concept brands, the "Chinesology" (唐述) offering modernized Chinese cuisine and the "JAJA" offering new vegetarian propositions, successfully seizing those revival opportunities in the wake of the fifth wave of the pandemic to explore new markets. Besides, the Group continued to boost sales by offering dine-in discounts and takeaway and Mira eShop promotions and at the same time rolling out privileges to consumption vouchers to satisfy customers with different need.

Following the easing of government's social distancing measures, including to allow more diners per table, and evening dine-in, the Group's food and beverage business sharply jumped by 53% and 62% in May and June of the year, which significantly undid the severe dip in performance in the first four months of this year. During the period, revenue recorded HK$65.2 million, while EBITDA recorded loss of HK$6 million, compared with revenue of HK$59.9 million and EBITDA loss of HK$5.5 million respectively in the same period last year.

Travel Business

Under the onslaught of reversing waves and evolving virus variants, many countries and Hong Kong paid close attention to the development of the pandemic, hoping to strike a balance between economy and pandemic prevention, and are now prudently considering relaxing pandemic-induced immigration rules. As the relaxation of various countries has not arrived during the period, the tourism industry has not yet seen any sign of bounce-back, and the Group's business in travel segment still fell far short of the peak; revenue during the period was HK$10.8 million, while EBITDA recorded loss of HK$7.9 million, compared with revenue of HK$0.7 million and EBITDA loss of HK$7.8 million respectively in the same period last year. Should Hong Kong relax cross-border travel and allow people to exempt from quarantine upon entry, that opens the sky for aviation and brings flight travel back to normal, then a quick comeback of the travel business, together with high-flying performance, should be within arm's reach.

Treasury Management and Financial Condition

The Group adopts a stable and healthy financial policy with more than sufficient funds and credit lines secured, that would enable the Group to cope with economic uncertainties in the foreseeable future and execute investment-effective business development plans when appropriate. In terms of liquidity risks, as at 30 June 2022, the Group had a consolidated cash position of HK$5.4 billion (31 December 2021: HK$5.2 billion) and no loans (31 December 2021: nil). In terms of financing risk, as at 30 June 2022, the total amount of credit facilities available to the Group was HK$1 billion (31 December 2021: HK$1 billion), none of them have been utilised (31 December 2021: nil). Accordingly, the gearing ratio (calculated by dividing the total consolidated borrowings by the total consolidated shareholders' equity) was nil (31 December 2021: nil).

Business Outlook

In response to the results in the first half of 2022 and the business outlook of the Group, Dr. Lee Ka Shing, Miramar Group's Chairman and CEO said, "With the pandemic not yet brought under full control, most countries including Hong Kong still continued with varying degrees of pandemic measures, inducing considerable uncertainties and pressures on business operators and enterprises. Facing this challenging prospect, the Group will continue the adoption of proactive, prudent attitude and cost-efficient operating principal, and meet the difficulties with determination to enhance its overall competitiveness. The Group's business model features agility and stability. Its abundant cash resources and low debt to asset ratio will enable the Group to survive through successive economic cycles. The Group will actively look for investment opportunities and opportunely seize them to expand business, and will adjust strategies in response to changing market and trends, in order to achieve stable and sustainable performances and bring the best benefits to the Group and its shareholders."

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About Miramar Hotel and Investment Company, Limited

Established in Hong Kong in 1957, Miramar Hotel and Investment Company, Limited (Miramar Group) is a group with a diversified service-oriented business portfolio comprising stylish hotels and serviced apartments, property rental, food and beverage, and travel services in Hong Kong and Mainland China. Miramar Group has been listed on the Hong Kong Stock Exchange since 1970 (HKEx Stock Code: 71) and is a member of Henderson Land Group.

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