Embracing the New Era of Change

ANNUAL REPORT 2010

MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED

Stock code : 71

About Miramar

Based in Hong Kong, Miramar Hotel and Investment Company, Limited (Miramar Group) was established in 1957 and has been listed on the Hong Kong Stock Exchange since 1970. (HKEx Stock Code: 71). Miramar Group is a member of Henderson Land Group, and builds a diversified business portfolio to include hotels and serviced apartments, property investment, food and beverage and travel services in Hong Kong, mainland China and the United States.

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Milestones

2010

The French Window, modern French cuisine opened its doors in ifc Mall, followed by the iconic Yunyan Sichuan Restaurant which re-opened with a new image in June. Miramar Shopping Centre and the shopping centre within The Mira underwent renovations as part of the brand revitalisation. New business venture, Online Cellar was launched in December, placing the Group among the premier wine retailers in Hong Kong.

2008/09

Hotel Miramar, after extensive renovations, is re-branded The Mira Hong Kong, an upscale, design-driven, lifestyle urban retreat for the business and leisure travellers.

2006

Miramar Travel is incorporated and the interior refurbishment of the Miramar Shopping Centre is completed. Mr. Lee Ka Shing is appointed Managing Director by the Board of Directors.

1993

Henderson Land Group becomes the Group's major shareholder.

1988

Three old hotel buildings are demolished and on its site, the Miramar Shopping Centre and Miramar Tower are developed.

1986

Miramar Express is incorporated

1983

The Group expands into the China market, taking a 25 per cent stake in the first five-star hotel in Shekou.

1978

Hotel Miramar expands its capacity to 1,330 rooms, including a 26,000 square-foot penthouse. It is the biggest hotel in Hong Kong and Southeast Asia.

1973

Tsui Hang Village Restaurant begins operations.

1970

Miramar Hotel and Investment Company, Limited is listed on the Hong Kong Stock Exchange.

1966

Hotel Miramar becomes the first hotel in Hong Kong to join an international hotel network.

1957

Miramar Hotel and Investment Company, Limited is established after its leaders, Dr. Ho Sien Heng and Mr. Young Chi Wan, purchase the 192-room Hotel Miramar Hong Kong from a Spanish mission.

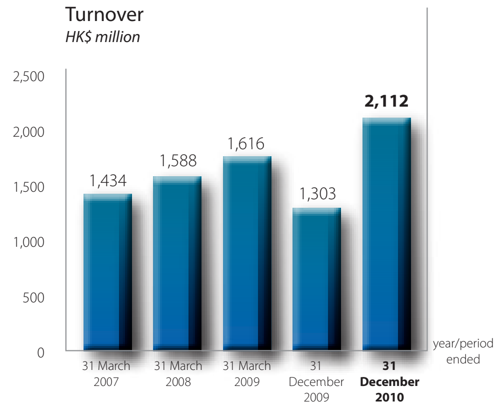
Financial Highlights

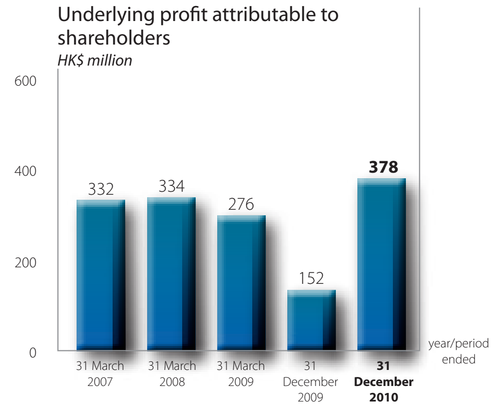
	For the twelve months ended 31 December 2010 HK$'million	For the nine months ended 31 December 2009 HK$'million (restated)
Turnover		
Property investment	**481**	364
Property development and sales	**3**	–
Hotel ownership and management	**442**	210
Food and beverage operation	**202**	124
Travel operation	**984**	605
Total turnvoer	**2,112**	1,303
Profit attributable to shareholders of the Company	**784**	260
Underlying profit attributable to shareholders of the Company *(note 1)*	**378**	152
	HK$	HK$
Earnings per share	**1.36**	0.45
Underlying earnings per share	**0.65**	0.26
Dividend per share	**0.37**	0.23

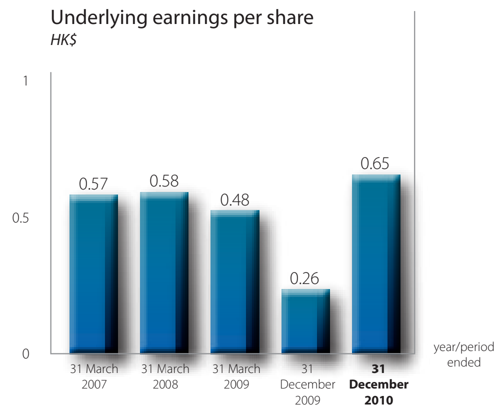
	At 31 December 2010 HK$'million	At 31 December 2009 HK$'million (restated)
Consolidated net assets attributable to shareholders of the Company	**8,761**	8,102
	HK$	HK$
Consolidated net asset value per share	**15.36**	14.18

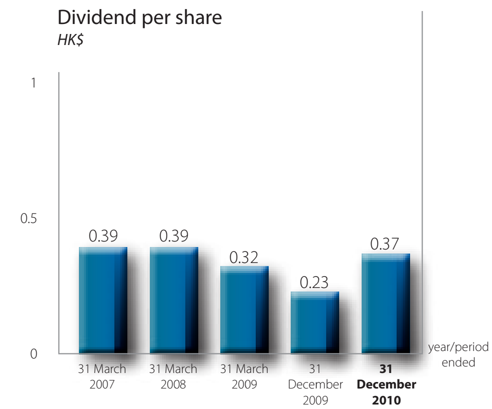
Note: (1) The effect of the net increase/decrease in fair value of investment properties (net of deferred tax and non-controlling interests) was excluded in the calculation of the underlying profit attributable to shareholders of the Company.

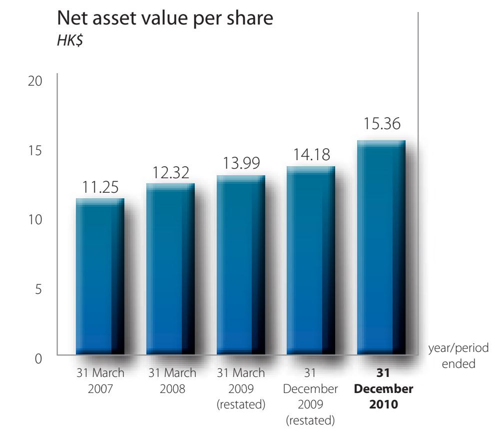
(2) As a result of early adoption of the amendments to HKAS 12, *Income taxes*, figures for the nine months ended 31 December 2009 have been adjusted to reflect the decrease in accrual of deferred tax liabilities to certain investment properties of the Group carried at fair value (see note 2 to the financial statements).











Note:

(1) In August 2009, the Company changed its financial year end date from 31 March to 31 December. Hence the figures for the period ended 31 December 2009 covered the nine months period from 1 April 2009 to 31 December 2009.

(2) The figures for the period ended 31 December 2009 and year ended 31 March 2009 have been restated to reflect the effect of early adoption of the amendments to HKAS 12, *Income taxes*, in 2010 (see note 2 to the financial statements). The figures for the years ended 31 March 2008 and 2007 have not been restated as it would involve delays and expenses out of proportion of the benefit to shareholders of the Company.

Blossoming progress is paving the way for future development

For the financial year ended 31 December 2010 (the "Reporting Year"), the Group's turnover amounted to approximately HK$2,112,000,000 (due to a change of the financial year end date, the last reporting period only covered nine months ended 31 December 2009, referred to as the "2009 Reporting Period". Turnover for the 2009 Reporting Period: HK$1,303,000,000). Profit attributable to shareholders amounted to approximately HK$784,000,000 (2009 Reporting Period (Restated): HK$260,000,000). Excluding the net increase in the fair value of our investment properties, underlying profit attributable to shareholders for the Reporting Year was approximately HK$378,000,000 (2009 Reporting Period (Restated): HK$152,000,000).

In 2010, the economic landscape in Hong Kong continued to improve, expediting the development of property-related businesses, the travel sector, the food and beverage business and the hotel industry in Asia. According to the statistics compiled by the Hong Kong Tourism Board, visitor arrivals in 2010 surged 21.8% year-on-year to a historic high of 36 million. Visitor spending during the year of 2010 also reached a new height, surging 30.5% and estimated at HK$212.6 billion in total.

The Group's business remained robust and delivered an encouraging performance. The Mira Hong Kong ("The Mira") under the Group recorded significant growth in both occupancy rate and average room rate compared with the 2009 Reporting Period, with operating profit amounting to approximately HK$120,000,000. The shopping centre located in The Mira is undergoing a refurbishment, and is expected to provide an additional area of approximately 90,000 sq.ft upon completion. Situated at a prime location in Tsim Sha Tsui, the complex will attract more renowned brands and will be able to command higher rental return.

The Group's property rental business grew steadily during the Reporting Year, registering a turnover of approximately HK$480,000,000. The Group carried out a series of refurbishment work at the Miramar Shopping Centre and the Miramar Tower, so as to attract more quality tenants to enhance assets value. The undertaking is set to further ramp up our business performance. During the year, the Group also proactively optimised our investment property portfolio and strived to unlock our growth potential in the future.

The recent rebound of the Hong Kong economy has been crucial in driving forward the food and beverage and travel business sectors. During the Reporting Year, the Group overcame various challenges and achieved satisfactory results for our food and beverage business. The Group has also won a number of local and international awards, which demonstrated the success of our strategy to reinforce our leading position in the high-end food and beverage market. As for our travel business, we have benefited from the blooming Asian tourism market amidst the favourable economic environment and positive market sentiments in the region. Turnover of this business segment showed double-digit growth, reaching approximately HK$980,000,000.

CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY

The Group places substantial importance upon prime corporate governance and believes that it is our corporate responsibility to contribute to the well-being of the society. During the Reporting Year, the Group continued to enhance its corporate governance standard by way of internal monitoring. Emphasis was also put on establishing an amicable corporate environment through strengthened staff welfare.

During the Reporting Year, the Group upheld the COSO (Committee of Sponsoring Organisations) internal monitoring standard. By conducting regular Internal Audits, the Group is committed to ensuring that business operation and management control, among other areas, are in compliance with COSO's international and professional standard.

In addition, the Group participated in a variety of community activities, including regular visits to community centres for elderly, participating in Green Power Hike 2010 and sponsoring fund raising events organised by different charity organisations, such as Chi Heng Foundation and Green Power etc., so as to provide support to minority groups and to enhance social care. Once again, the Group was awarded the Caring Company Logo by the Hong Kong Council of Social Service in 2010, in recognition of our contribution to community welfare.

PROSPECTS

The Group will ride on the opportunities afforded by the currently stable economic growth and the buoyant retail and consumption market in order to foster development of our core businesses. The Group has carried out a series of renovation and refurbishment work at The Mira and other investment properties in recent years. The initiatives have transformed The Mira into one of the top-listed hotels with contemporary and stylish design, and the Miramar Shopping Centre has also become a magnet for internationally renowned brands seeking to tap Hong Kong's consumer market. The renovation and refurbishment work has reinforced the overall image of our property, accelerated asset value appreciation and increased investment returns. It has also given our properties a fresh and impressive look and breathed new life and energy into our hotel and property rental businesses.

Looking ahead, the Group will implement solid business strategies to strengthen each of our business segments. We will also seek to extend our business reach to new arenas, such as the food and beverage market in the mainland China. And through collaboration with international fashion brands, we will tap into the apparel sector. It is expected that this business will post satisfactory growth in the future. The Group's core businesses will continue to provide long term and stable profit, generating lucrative returns to shareholders.

ACKNOWLEDGEMENTS

I would like to take this opportunity to express my sincere gratitude to fellow board members, and my appreciation to all staff members for their dedication, relentless efforts and valuable contribution during the year.

LEE SHAU KEE
Chairman

Hong Kong, 16 March 2011

Achieved overall satisfactory developments while anticipating promising prospects ahead

During the Reporting Year, the local property market, the tourism sector, the food and beverage industry and consumption-related industries benefited from the continuous improvement of Hong Kong's economic environment, and their growth momentum gradually gathered strength. The Group's four core businesses, namely Hotel and Hotel Management business, Property Rental business, Food and Beverage business and Travel business, delivered satisfactory performances and posted significant growth compared with the 2009 Reporting Period.

Remarkable growth and winning of international awards in hotel operation

HOTEL AND HOTEL MANAGEMENT BUSINESS

The Group owns and/or provides management services for six hotels and serviced apartments in Hong Kong and mainland China. The Group is the sole owner of The Mira, and Miramar Apartments in Shanghai, a block of serviced apartments. In addition, it provides management services for two hotels in Shekou, a serviced apartment complex and a hotel in Hong Kong. In September 2010, the Group disposed of the 25% equity interest in a hotel in Shekou.

The Mira is a five-star stylish hotel in Hong Kong. The travel and tourism industry in Asia has grown remarkably amid the improving economic environment. During the Reporting Year, occupancy rate and average room rate of The Mira increased significantly. In particular, the occupancy rate grew from 58% in 2009 Reporting Period to 80%, representing an increase of 22 percentage points. The average room rate was up 26%.


the mira
HONG KONG
華麗美
Wine Cellars

During the Reporting Year, The Mira achieved remarkable success in terms of its food and beverage operations. Several restaurants received a host of local and international accolades. The Group reapplied the operating concept of Cuisine Cuisine, a high-end Chinese restaurant, to The Mira, and created Cuisine Cuisine at The Mira, which, shortly after its inception, has been named "Hong Kong's Best Restaurants 2010" by Hong Kong Tatler. It has also been awarded two Michelin stars in the 2011 edition of the Michelin Hong Kong and Macau Guide, the food bible for restaurant-goers.

Yamm is another stylish restaurant in The Mira, renowned for serving a plethora of international delicacies. During the Reporting Year, Yamm was named one of the Hong Kong's Best Restaurants 2010 by Hong Kong Tatler and U Favorite Buffet of the U Favorite Awards 2009-2010 organised by U Magazine. It was also included as one of the Best Hotel Buffet Restaurants of the OpenRice Best Restaurant Awards 2010 organised by OpenRice.com, and one of the Top Ten Buffets in Town by the website of Time Out Hong Kong.

Whisk and Vibes are two connected restaurants with distinctively different decor. Whisk serves modern French cuisine with subtle Asiatic accents, and it has won the coveted title as a Newly Selected Restaurant in the 2011 edition of the Michelin Hong Kong and Macau Guide. The recently-opened Vibes features a unique al fresco garden lounge. Its ingenious design accentuates a perfect mélange of green, waterways and relaxing ambience. Vibes is a lush, serene outdoor location for diners to unwind themselves and escape from the hustle and bustle of the city. It was selected as one of the Best New Alfresco Bars 2010 by Luxetasy, in recognition of its innovative design and delectable menu.

Indeed, restaurants at The Mira swept away numerous industry awards during the Reporting Year. This enhanced the brand awareness of the hotel, and helped generate immense synergies so that the Group can have a solid platform on which it strives for greater excellence in the high-end food and beverage sector.

The Group continued to perform well by leveraging its reputable hotel brand image, distinguished service, supreme quality and extensive experience in hotel management and operation. The Mira achieved a turnaround during the Reporting Year. EBITDA (earnings before interest, taxes, depreciation and amortisation) reached approximately HK$120,000,000, compared with a loss of HK$12,000,000 recorded in 2009 Reporting Period.


Miramar
美麗華商場 shopping centre
UNI
QLO
MUJI
i.t

An optimistic outlook for the property rental business

PROPERTY RENTAL BUSINESS

The Group owns a sound property portfolio, comprising retail shops in shopping centre and office tower, which generates long-term and stable income. During the Reporting Year, rental income derived from Miramar Shopping Centre and Miramar Tower remained as the major income contributor. Due to an increase in the supply of office space in other areas in Kowloon, the occupancy rate for offices in Tsim Sha Tsui as a whole showed a downward trend, marked by a slight decrease in the total income contribution from Property Rental business. With the completion of several refurbishment and renovation programmes for our investment properties, we believe the property rental business will enjoy impressive growth prospects.

Miramar Shopping Centre ("MSC")

The average occupancy rate of MSC for the Reporting Year was in line with that of the 2009 Reporting Period, and the average unit rate decreased slightly by 2%. The refurbishment work in Basement one was completed on schedule in the second quarter of 2010. The brand new image of the shopping centre has lured many new brands, including Mannings, Commercial Press and Caffé HABITU the table.

In addition, the Group's special promotional activities held in the shopping centre from time to time have also helped bring traffic, leading to a rise in the retail shop occupancy rate. As at the end of 2010, occupancy rate of MSC exceeded 95%.

The tenants of MSC are mostly upscale, trendy fashion outlets, including a wide range of internationally renowned brands, such as agnés b, A|X Armani Exchange, DKNY Jeans, Calvin Klein Jeans, D-mop, i.t. and Vivienne Westwood. Besides, MSC houses a number of restaurants that offer regional cuisines, including Chinese, Japanese and Korean.

Miramar Tower ("MT")

The average occupancy rate of MT for the Reporting Year was similar to that of the 2009 Reporting Period and the average unit rate dropped by about 5%. This was mainly due to the increase in office space supply in the district. In order to strengthen the competitiveness and attractiveness of MT, the Group slightly reduced the average unit rate. As at the end of 2010, occupancy rate at MT was nearly 100%, which demonstrated the effectiveness of our strategy implemented in a timely manner.

To reinforce competitive edge, enhance the image of MT as a Grade A office building and accelerate the assets value appreciation, the Group has undertaken refurbishment work in the public areas of MT since May 2010. The work is expected to be completed in early 2011. We believe the initiative will refine MT's image and help to fuel rental income growth.

Miramar Shopping Centre – Hotel Tower

As disclosed in our 2009 Annual Report, Basement one to the second floor of the shopping centre at The Mira underwent a refurbishment. The work is expected to be completed in mid-2011. The contemporary design and comprehensive facilities will attract more luxury brands and quality enterprises, propelling growth in rental income.

In addition to our existing investment properties, the Group optimised property portfolio and acquired an investment property located at Stanley Main Street, a popular tourist spot in Hong Kong, at a consideration of approximately HK$64,000,000. The Group believes this new investment will generate steady income.

Expanding with ever more diverse cuisine choices to stand at the forefront of modish dining

FOOD AND BEVERAGE BUSINESS

The Group operates three Tsui Hang Village restaurants: one located in the MSC, Tsim Sha Tsui; one in the New World Tower, Central; and one situated in Club Marina Cove, Sai Kung. We also operate a Sichuan restaurant named Yunyan Sichuan Restaurant at MSC, two outlets at the IFC, namely Cuisine Cuisine and The French Window, and a canteen and Green Café at the Union Hospital.

In 2010, consumer sentiment continued to ameliorate amid the economic rebound in Hong Kong. This, together with the booming travel and tourist business, led to promising development of the food and beverage business. During the Reporting Year, the Group's food and beverage business returned to the growth track and delivered an encouraging performance. Our restaurants have also won a number of renowned local and international awards, in recognition of our efforts to develop our high-end luxury food and beverage business. The accolades have effectively reinforced of our leading market position.

Over the past few years, the Group has been dedicated to reforming its food and beverage business segment, with an aim of providing exquisite dainties and unrivalled culinary experience to our customers. During the Reporting Year, the Group completed the two-month renovation work at Yunyan Sichuan Restaurant and brought its successful brand "Cuisine Cuisine" to the mainland China market. The first Cuisine Cuisine restaurant will set foot in Beijing soon. Design and furnishing work is proceeding well and the restaurant will open in the third quarter of 2011.

In September 2010, the Group joined hands with Green House Food Co. Ltd., a reputable Japanese catering group, to expand the business network of Saboten Tonkatsu to reach Hong Kong. Saboten Tonkatsu is a chain restaurant specialising in traditional deep-fried breaded pork cutlet. The first outlet in Hong Kong will open in a prime location with high pedestrian flow in Causeway Bay, Hong Kong's iconic shopping hotspot. It is set to be launched in the second quarter of 2011. We believe that the well-established Japanese deep-fried breaded pork cutlet restaurant will attract numerous Japanese cuisine lovers. The Group also planned the launch of first Italian restaurant at the Hong Kong Arts Centre, Wan Chai.

During the Reporting Year, the Group also achieved good development for its new food and beverage business. It has entered into a franchise agreement with Hide-Chan Ramen, a popular

Japanese ramen restaurant. The first franchise store is opened in March 2011 near Lan Kwai Fong, the entertainment hub in the heart of Central, which is known as a melting pot of international cuisine and restaurants targeting a variety of customers, from the low to high end. With the unwavering pursuit for high food quality, Hide-Chan Ramen is well-poised to take the mass market by storm.

The Group is confident that its food and beverage business in Hong Kong will continue to grow steadily and that it will enjoy greater growth prospects.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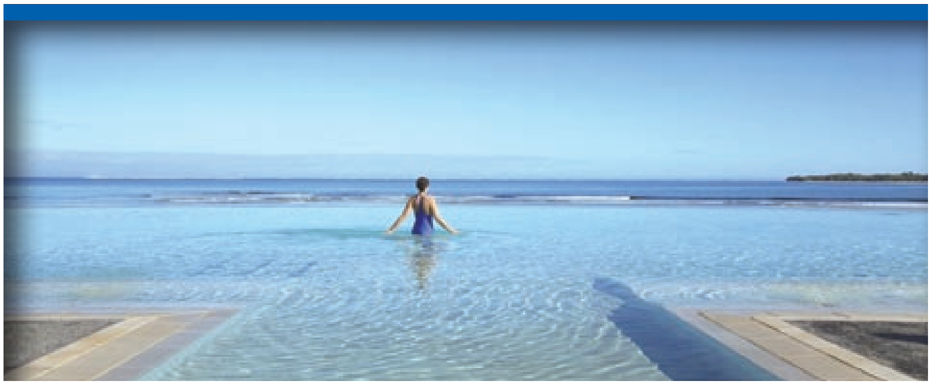

Shaping the future of travel business with truly unique tours and one-of-a-kind destinations

TRAVEL BUSINESS

During the Reporting Year, robust development of the tourism industry in Asia led to substantial growth in the Group's travel business. Double-digit year-on-year growth in revenue and operating net profit were logged. Japan tours, in particular, are most welcomed by the market. As such, the number of Japan tours surged, resulting in over 20% increase in revenue.

The volcanic eruption in Iceland, the airline strikes and snowstorm in Europe toward the end of 2010 had a negative impact on many regions. Nonetheless, the Group's travel business, which focuses on Asia, remained intact and large.

Revenue from commercial ticketing also contributed impressively to the Group's total revenue. During the Reporting Year, the buoyant economic landscape in Asia boosted the growth in business and trade in the region, hence expediting the increase in income from commercial ticketing.

BUSINESS OUTLOOK

The macro-economic environment in 2010 was favourable for business development of the Group. We will take advantage of the positive trend to further promote growth of our core businesses. Meanwhile, the gradual completion of the renovation and refurbishment work in the hotel, shopping centre and office tower is set to enhance the image of the respective projects, increase rental income, and also drive the long term growth of hotel and related business.

According to the statistics of the Hong Kong Tourism Board, visitor arrivals and visitor spending reached new heights in 2010. This was mainly fuelled by the steady growth of the global economy and the expansion of the scope of the Individual Visit Scheme for Shenzhen residents launched by the Chinese Government. It is expected that the number of visitor arrivals in 2011 will keep growing, providing new momentum for future development.

The Group will focus on expanding its four core businesses. The Group is working on a hotel management project for a boutique hotel in Wan Chai, which will be operated under the brand name of "The Mira". It will further enhance the brand awareness of "The Mira" and garnered new business opportunities. The 32-storey boutique hotel is currently under construction,

and is expected to commence trial operation in 2013. Wan Chai district enjoys a convenient transportation network and features old and new cultural characteristics of the area. It has become one of the favourite districts for tourists to stay in Hong Kong. We believe the boutique hotel will soon become a popular hotel in the district with the distinguished brand image of "The Mira" and our meticulous management service.

On food and beverage business front, we will cooperate with Hide-Chan Ramen in opening franchised stores in Hong Kong, so as to boost business growth. In addition, we are pursuing further expansion of our food and beverage business. In the second quarter of 2011, we will open Assaggio Trattoria Italiana, our first Italian restaurant, at the Hong Kong Art Centre in Wan Chai. Catering mainly to young customers, Assaggio offers a variety of Italian delicacies in an art-filled ambience.

The Group will also keep an eye on new business opportunities in mainland China. In 2011, the Group will open two Cuisine Cuisine restaurants, in Beijing and Wuhan respectively, to gradually stretch its tentacles in the mainland China food and beverage market. We will also accelerate the progress of refurbishment work in shopping centre, refine the overall image, optimise the competitive edge of investment properties and intensify profitability.

Leveraging our healthy financial position, seasoned management and solid hotel and property rental business in Hong Kong, we are confident that our core businesses will continue to see steady and long-term growth in profit. Meanwhile, we will further enrich our business portfolio. The Group commenced apparel retail business at the end of 2010 and has become a distributor of DKNY Jeans in mainland China. Looking forward to 2011, the Group will foster collaboration with international fashion brands. By opening exclusive stores in mainland China, the Group will set up our own retail network to fuel the growth in operating profit in the coming years.

LEE KA SHING
Managing Director

Hong Kong, 16 March 2011

Award Recognition in 2010

THE MIRA HONG KONG

- Voted one of "the 66 coolest new hotels in the world" The Hot List 2010 **Condé Nast Traveller**
- "Best Business Hotel in Hong Kong 2010" **TTG China Travel**
- "Best New Business Hotel" Travel & Meeting Industry Awards, **Travel Weekly China**
- "Best Designed Boutique Hotels of China" 5th China Hotel Starlight Awards
- Voted one of the "Hot New Hotels 2010" **Travel Agent Magazine US**
- "Top Presidential Suites" **Hurun Presidential Awards 2010**
- "Top Entry-Level Executive Suites" **Hurun Presidential Awards 2010**
- "Top Executive Club Lounges of Hong Kong" Hurun **Presidential Awards 2010**
- "Gold - Websites/Online Marketing" **The International Davey Awards 2010**

MIRASPA

- Ranked one of the world's "sybaritic spas "Condé Nast Traveler Hot List 2010 "Hot Spas" **Condé Nast Traveller**
- "Best New Spa" **HK Magazine Spa Awards 2010**
- "Urban Spa of the Year" **AsiaSpa Awards 2010**
- " Best Super Spa in Hong Kong" **Kelly England Guide to Life Awards 2010**

COCO

- "Top Ten Cupcake Shops in Town" **Time Out Hong Kong**

VIBES

- "Best New Alfresco Bars 2010" **Luxetasy**, **Hong Kong Tatler**

WHISK

- "Hong Kong's Best Restaurants 2010" **Luxe Dining Hong Kong Tatler**
- "Best Bars for Wine" **Time Out Hong Kong**
- "Best for Brunch" **Foodie's Vote 2010**

YAMM

- "U Favorite Buffet" U Favorite Food Awards 2009-2010, **U Magazine**
- "Hong Kong's Best Restaurants 2010" **Luxe Dining Hong Kong Tatler**
- "Best Hotel Buffet Restaurants" Best Restaurant Awards 2010, **OpenRice.com**
- "Top Ten Buffets in Town" **Time Out Hong Kong**

CUISINE CUISINE

- "Hong Kong's Best Restaurants 2010" **Luxe Dining**, **Hong Kong Tatler**
- Recommended **MICHELIN guide Hong Kong Macau 2010**
- Recommended Restaurant in **WOM Guide 2010**

THE FRENCH WINDOW

- Winner of "2010 Hospitality Design Awards – Fine Dining Restaurant Category", **Hospitality Design, New York**
- "Hong Kong's Best Restaurants 2010", **Luxe Dining Hong Kong Tatler**
- Recommended Restaurant in **WOM Guide 2010**

TSUI HANG VILLAGE RESTAURANT

- Gold Award – Seafood: Fish, Prawn, Crab **Best of the Best Culinary Awards 2010**
- "Hong Kong's Best Restaurants 2010", **Luxe Dining Hong Kong Tatler**
- Recommended Restaurant in **WOM Guide 2010**

YUNYAN SICHUAN RESTAURANT

- One of the featured dining venues in the "Bib Gourmand" section of **"Michelin Guide Hong Kong & Macau 2010"**
- "Hong Kong's Best Restaurants 2010", **Luxe Dining Hong Kong Tatler**
- "U Favourite Other Chinese Cuisine" in U Favourite Food Awards 2010, **U Magazine**
- Recommended Restaurant in **WOM Guide 2010**

MIRAMAR TRAVEL

- The Best Travel Agent (2009-2010) **Capital Magazine**
- Valuable Support and Contribution Award (2008-2010) **Korean Air**
- Top Agent Award (2009-2010) **JAL**
- Zhejiang Travel Contribution Award (2010) **Zhejiang Tourism Bureau**
- Top Agent Award (2009-2010) **Hong Kong Airlines/ Hong Kong Express**
- Million Dollar Sales Award **China Airlines**
- Top GIT Agent Award (H.K.) 2010 **China Eastern, Shanghai Airlines**
- Top Agency Award 2010 **Asiana Airlines**
- The Best Luxury Cruises Line **Capital Magazine**
- Golfers' Choice Cruise **Golf Vacations**

DIRECTORS

Dr the Honourable LEE Shau Kee, *GBM, DBA (Hon), DSSc (Hon), LLD (Hon)*

Aged 82. Dr Lee was appointed director of the Company in 1993 and has been the Chairman of the Company since 8 August 2001. He has been engaged in property development in Hong Kong for more than 55 years. He is the founder and also the Chairman and Managing Director of Henderson Land Development Company Limited ("Henderson Land") and Henderson Investment Limited ("Henderson Investment"), the Chairman of The Hong Kong and China Gas Company Limited, the Vice Chairman of Sun Hung Kai Properties Limited as well as a director of Hong Kong Ferry (Holdings) Company Limited and The Bank of East Asia, Limited, all of which are listed companies. Dr Lee was awarded Grand Bauhinia Medal by the Government of the Hong Kong Special Administrative Region in 2007. He is a director of Multiglade Holdings Limited ("Multiglade"), Higgins Holdings Limited ("Higgins"), Threadwell Limited ("Threadwell"), Aynbury Investments Limited ("Aynbury"), Henderson Land, Henderson Development Limited ("Henderson Development"), Hopkins (Cayman) Limited ("Hopkins"), Riddick (Cayman) Limited ("Riddick") and Rimmer (Cayman) Limited ("Rimmer") which have discloseable interests in the share capital of the Company under the provisions of Part XV of the Securities and Futures Ordinance as at 31 December 2010. He is the father of Mr Lee Ka Shing.

Dr David SIN Wai Kin, *DSSc (Hon)*

Aged 81. Dr Sin was appointed director of the Company in 1974 and has been a Vice Chairman of the Company since 1985. He is currently a member of the Audit Committee and Remuneration Committee of the Company. Dr Sin has a plenitude of experience in the businesses of jewelry, property development, property rental, hotel operation, and banking and finance. He is the Chairman of Myer Jewelry Manufacturer Limited and an executive director of New World Development Company Limited. He was previously a director of Hang Seng Bank Limited. He is also a director of certain subsidiaries of the Company.

Mr LEE Ka Shing

Aged 39. Mr Lee was appointed director of the Company in 2004 and has been actively involved in formulating the Group's corporate development strategies and directions. On 1 August 2006, he was appointed as Managing Director of the Company, and has been in charge of corporate policy formulation and schematization, as well as promoting the Group's business development and enhancing its competitiveness and status in the industry. He was educated in Canada. He is the Vice Chairman of Henderson Land, Henderson Investment and a director of The Hong Kong and China Gas Company Limited, all of which are listed companies. He is also a Vice Chairman of Henderson Development. Mr Lee is a Member of the Tenth Guangxi Zhuangzu Zizhiqu Committee of the Chinese People's Political Consultative Conference and a Member of the Tenth Foshan Committee of the Chinese People's Political Consultative Conference. Henderson Land and Henderson Development have discloseable interests in the share capital of the Company under the provisions of Part XV of the Securities and Futures Ordinance as at 31 December 2010. He is also a director of certain subsidiaries of the Company. He is the son of Dr Lee Shau Kee.

Dr Patrick FUNG Yuk Bun

Aged 63. Dr Fung was appointed director of the Company in 1985. He obtained his MBA degree from University of Toronto in 1973, and was awarded an Honorary Doctor of Business Administration by the Hong Kong Polytechnic University in 2001 and an Honorary Doctor of Laws by the University of Toronto in 2005. Dr Fung joined Wing Hang Bank in 1976 and was appointed Director in 1980. He was appointed Chief Executive of the Bank in 1992, and then Chairman and Chief Executive in April 1996.

Dr Fung is an independent non-executive director of The Link Management Limited. He is a member of the Exchange Fund Advisory Committee ("EFAC") and the EFAC Financial Infrastructure Sub-Committee, a member of the Hong Kong Tourism Board, a member of the Court of the Hong Kong Polytechnic University, a Council member of the Hong Kong University of Science and Technology, Vice President of the Hong Kong Institute of Bankers and a member of the Board of Trustees of the Lord Wilson Heritage Trust. He is also a director of certain subsidiaries of the Company.

Mr Dominic CHENG Ka On

Aged 61. Mr Cheng was appointed director of the Company in 1985. He is currently a member of the Audit Committee of the Company. Mr Cheng has extensive practical experience in corporate management and is also an executive director of King Fook Holdings Limited and the Managing Director of the Onflo International Group of Companies. He is also a director of certain subsidiaries of the Company.

Mr Richard TANG Yat Sun, *MBA, BBS, JP*

Aged 58. Mr Tang was appointed director of the Company in 1986. He is an MBA graduate from the University of Santa Clara, California, U.S.A., and a holder of Bachelor of Science degree in Business Administration from Menlo College, California, U.S.A. He is currently the Chairman and Managing Director of Richcom Company Limited, Vice Chairman of King Fook Holdings Limited, a director of Hang Seng Bank Limited and various private business enterprises. He is an Advisor of Tang Shiu Kin and Ho Tim Charitable Fund. He is also a director of certain subsidiaries of the Company.

Mr Colin LAM Ko Yin, *FCILT, FHKIoD*

Aged 59. Mr Lam was appointed director of the Company in 1993. He holds a Bachelor of Science (Honours) degree from the University of Hong Kong and has over 37 years' experience in banking and property development. He is a member of the Court of The University of Hong Kong, a Director of The University of Hong Kong Foundation for Educational Development and Research Limited and a Director of Fudan University Education Development Foundation. Mr Lam was awarded an Honorary University Fellowship by The University of Hong Kong in 2008. He is a Fellow of The Chartered Institute of Logistics and Transport in Hong Kong and a Fellow of The Hong Kong Institute of Directors. He is also the Chairman of Hong Kong Ferry (Holdings) Company Limited, the Vice Chairman of Henderson Land and Henderson Investment as well as a director of The Hong Kong and China Gas Company Limited, all of which are listed companies. Mr Lam is a director of Henderson Development, Multiglade, Higgins, Threadwell, Aynbury, Hopkins, Riddick and Rimmer. Multiglade, Higgins, Threadwell, Aynbury, Henderson Land, Henderson Development, Hopkins, Riddick and Rimmer have discloseable interests in the share capital of the Company under the provisions of Part XV of the Securities and Futures Ordinance as at 31 December 2010. He is also a director of certain subsidiaries of the Company.

Mr Eddie LAU Yum Chuen

Aged 64. Mr Lau was appointed director of the Company in 1996. He has over 40 years' experience in banking, finance and investment. He is also an executive director of Henderson Land and Henderson Investment as well as a director of Hong Kong Ferry (Holdings) Company Limited, all of which are listed companies. Henderson Land has discloseable interests in the share capital of the Company under the provisions of Part XV of the Securities and Futures Ordinance as at 31 December 2010. He is also a director of certain subsidiaries of the Company.

Mr Tony NG

Aged 70. Mr Ng was appointed director of the Company in 1997. He is a graduate of Hotel Management from Ecole Hoteliere Lausanne, Switzerland. He has over 42 years' experience in the fields of hotel management and food and beverage in Hong Kong, Switzerland, Australia, Hawaii and Singapore. He is also a director of certain subsidiaries of the Company. He is the brother-in-law of Mr Howard Yeung Ping Leung.

Mr Norman HO Hau Chong, *BA, ACA, FCPA*

Aged 55. Mr Ho was appointed director of the Company in 1998. He is a member of the Institute of Chartered Accountants in England and Wales, and a Fellow of the Hong Kong Institute of Certified Public Accountants. He is an executive director of Honorway Investments Limited and Tak Hung (Holding) Company Limited and has over 29 years' experience in management and property development. He is also a director of Vision Values Holdings Limited, as well as an independent non-executive director of CITIC Pacific Limited, Hong Kong Ferry (Holdings) Company Limited, Lee Hing Development Limited, Shun Tak Holdings Limited and Starlight International Holdings Limited. He is also a director of certain subsidiaries of the Company.

Mr Howard YEUNG Ping Leung

Aged 54. Mr Yeung was appointed director of the Company in 2000. He has lots of experience in the businesses of property development, hotel operation and jewelry. He is also the Chairman of King Fook Holdings Limited and a director of New World Development Company Limited. He is the brother-in-law of Mr Tony Ng.

Mr Thomas LIANG Cheung Biu, *BA, MBA*

Aged 64. Mr Liang was appointed director of the Company in 2004. He holds a Bachelor degree in Economics from the University of California, Berkeley and a Master degree in Business Administration from the Columbia University and has extensive experience in financial management, corporate finance, banking, real estate development and equity investment. He is also the Group Chief Executive of Wideland Investors Limited and a non-executive director of New World Development Company Limited.

Mr WU King Cheong, *BBS, JP*

Aged 60. Mr Wu was appointed as an independent non-executive director of the Company in 2005. He is a Life Honorary Chairman of the Chinese General Chamber of Commerce, the Honorary Permanent President of the Chinese Gold & Silver Exchange Society and the Permanent Honorary President of the Hong Kong Securities Association Ltd. He is an executive director of Lee Cheong Gold Dealers Limited. He is also an independent non-executive director of Yau Lee Holdings Limited, Chevalier Pacific Holdings Limited, Henderson Land, Henderson Investment and Hong Kong Ferry (Holdings) Company Limited, all of which are companies listed on The Stock Exchange of Hong Kong Limited. Henderson Land has discloseable interests in the share capital of the Company under the provisions of Part XV of the Securities and Futures Ordinance as at 31 December 2010.

Mr Alexander AU Siu Kee, *OBE, ACA, FCCA, FCPA, AAIA, FCIB, FHKIB*

Aged 64. Mr Au was appointed as an independent non-executive director on 17 January 2005 and re-designated as a non-executive director of the Company on 7 November 2005. Mr Au is a well-known banker in Hong Kong and had more than 32 years' experience in local and international banking business, having been the Chief Executive of Hang Seng Bank Limited (from October 1993 to March 1998) and of Oversea-Chinese Banking Corporation Limited in Singapore (from September 1998 to April 2002). He is currently an executive director and the Chief Financial Officer of Henderson Land, an independent non-executive director of Wheelock and Company Limited and a non-executive director of Hong Kong Ferry (Holdings) Company Limited, all of which are listed companies. He is the chairman and non-executive director of Henderson Sunlight Asset Management Limited, the manager of the publicly-listed Sunlight Real Estate Investment Trust. He is also a member of the Court of the Hong Kong University of Science and Technology. An accountant by training, Mr Au is a Chartered Accountant as well as a Fellow of The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. As at 31 December 2010 Henderson Land had discloseable interests in the share capital of the Company under the provisions of Part XV of the Securities and Futures Ordinance.

Dr Timpson CHUNG Shui Ming, *GBS, JP, DSSc (Hon)*

Aged 59. Dr Chung was appointed as an independent non-executive director of the Company in 2006. Dr Chung obtained a bachelor's degree in science from the University of Hong Kong and a master's degree in business administration from the Chinese University of Hong Kong, and was awarded a Doctor of Social Sciences honoris causa by the City University of Hong Kong. He is a fellow member of Hong Kong Institute of Certified Public Accountants. He is a member of the National Committee of the 10th and 11th Chinese People's Political Consultative Conference. Currently, Dr Chung is an independent non-executive director of China Unicom (Hong Kong) Limited, Nine Dragons Paper (Holdings) Limited, Glorious Sun Enterprises Limited and China Overseas Grand Oceans Group Limited. He is also an independent director of China State Construction Engineering Corporation Limited and China Everbright Bank Corporation Limited, both listed on the Shanghai Stock Exchange. Formerly, Dr Chung was the Chairman of the Council of the City University of Hong Kong, the Chairman of the Hong Kong Housing Society and the Chief Executive of the Hong Kong Special Administrative Region Government Land Fund Trust. He was previously an independent non-executive director of China Netcom Group Corporation (Hong Kong) Limited and Tai Shing International (Holdings) Limited. He was also, formerly, the Managing Director of Hantec Investment Holdings Limited and an executive director and the Chief Executive Officer of Shimao International Holdings Limited.

SENIOR MANAGEMENT

Mr Romain CHAN Wai Shing, *BSc, MBA*

Aged 51. Mr Chan joined the Company in 2008 as the Group General Manager. He holds a Bachelor of Science Degree from the School of Hotel Administration, Cornell University, as well as an MBA Degree and a Master of Management degree from the Hong Kong Polytechnic University and the Macquarie University in Australia, and is a hotel and tourism management doctorate degree candidate at the Hong Kong Polytechnic University. Mr Chan has over 27 years' experience in hotel administration, spanning a wide range of nations.

Mr Chan has been appointed to the Tourism Strategy Group in the Tourism Commission; and is a member of the Associate of Social Science (Tourism) Programme Advisory Committee of the Hong Kong Institute of Education, as well as the Hotel, Catering and Tourism Training Board of the Hong Kong Vocational Training Council.

Mr Nelson CHOW Kwok Ming

Aged 47. Mr Chow joined the Group in January 2010 as Vice President – Food & Beverage Operations & Development. Mr Chow has over 31 years of experience in the hospitality industry and extensive teaching experience in hotel management and wine appreciation. He is at present the Chairman of the Hong Kong Sommelier Association. Mr Chow holds a Bachelor Degree in Business Administration Management from the University of South Australia. He has also been awarded the Chevalier du Sopexa en Gastronomie Française, Commandeur du Bon Temps and is an accredited lecturer for L'Ecole du Vin de Bordeaux.

Mr Martin CHUNG Shui Ming

Aged 46. Mr Chung joined the Group in April 2010 as General Manager of The Mira Hong Kong. He holds a degree in Hospitality Management from the University of Lausanne and a Bachelor Degree in Business Administration from La Neuveville, Switzerland. Mr Chung has over 20 years of experience in hospitality management spanning Asia, Europe, and the Middle East, and specializing in food and beverage.

Prior to joining the Group, he was Senior Vice-President – Food and Beverage – of Atlantics, The Palm Dubai and has held senior management positions in various reputable hotels in Dubai, Europe, Hong Kong and the People's Republic of China.

Mr Charles LAU Kin Shing, *DBA, CA, CISA, CMC, FCPA*

Aged 55. Mr Lau joined the Group in March 2010 as Chief Financial Officer. Mr Lau holds a Doctorate Degree in Business Administration, a Master Degree in Business Administration and Information System Management, and a Bachelor Degree in Accounting. He is a Chartered Accountant, Certified Information System Auditor, Certified Management Consultant and Certified Public Accountant. He possesses over 20 years of corporate control and financial management experiences gained from various reputable multinational firms.

Mr James LEE Hang Wing, *Architect, AP, Arbitrator*

Aged 41. Mr Lee joined the Group in 2009 and is the Director of Property Division. Mr Lee is a Registered Architect (Authorized Person) and holds double Bachelor Degree in Architecture and Science, he is also a member of the Chartered Institute of Arbitrators, Hong Kong Interior Design Association and Hong Kong Institute of Real Estate Administrators. Mr Lee has over 20 years of relevant experience; he is responsible for the project & property development & management affairs of the Group. Prior to joining the Group, Mr Lee has held senior management positions in the area of Project Development & Management and Investors Relations with various listed & reputable companies.

Ms Andrea LEUNG Tsui Shan

Aged 41. Ms Leung joined the Group in December 2009 as Director of Group Marketing, leading her team with 16 years' experience in marketing and communications, hospitality, hotel and shopping mall management. Ms Leung marks her out from the common run of the industry in formulating and evaluating marketing objectives, strategies, corporate identity and branding with a creative and seasoned approach. Prior to joining the Group, Ms Leung worked in various established corporations and hotel groups, oversaw their business promotion, development, marketing and communication.

Ms Florence NG Wai Na

Aged 47. Ms Ng joined the Group in February 2009 as Senior Vice President of Group Marketing and Sales. Ms Ng's primary role is to lead the marketing and sales functions for the group with direct responsibility for the development and execution of marketing and sales strategy. Graduated from Canada with the diploma in Hotel & Resort Operation in 1987, Ms Ng has over 22 years' extensive working experience in marketing and sales as well as hotel operation, gained from working with a variety of reputable hotels.

Ms Clara NGAN King Ha, *BA, MBA*

Aged 47. Ms Ngan joined the Group in 1996, and was appointed as Director of Group Human Resources and Administration in 2005. Graduated from the Hong Kong Polytechnic University, Ms Ngan holds a professional diploma in Company Secretaryship and Administration. She obtained her Postgraduate Diploma and Master Degree in Business Administration from the Sheffield Hallam University in United Kingdom and she is a holder of a Bachelor of Arts degree in Language and Translation from the Open University of Hong Kong. She has over 22 years' experience in business administration in the commercial sector and with her extensive exposure in human resources management, she is responsible for mapping the group's human resources needs and overseeing training and career progression for staff.

Mr Ricky TSE Ping Shing, *MSc, MBA, FCCA, FCPA(Aust.), FCPA, ACA, CIA*

Aged 49. Mr Tse joined the Group as the Director of Internal Audit in September 2008. Mr Tse holds Master Degrees in Finance and Business Administration and is a Fellow of the Hong Kong Institute of Certified Public Accountants, a Fellow of the Association of Chartered Certified Accountants, a Fellow of CPA Australia, an Associate of the Institute of Chartered Accountants in England & Wales and a Certified Internal Auditor of the Institute of Internal Auditors in the United States.

Mr Tse has more than 25 years of experience in auditing and financial control. Prior to joining the Group, Mr Tse has held senior positions in the areas of internal auditing, risk management and financial control with various reputable companies.

The Company is committed to maintaining a high standard of corporate governance. During the twelve months ended 31 December 2010, 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 (the "Listing Rules").

BOARD OF DIRECTORS

The Board of Directors (the "Board") currently comprises fifteen members, of whom six are executive directors, six non-executive directors and three independent non-executive directors, as detailed below:

Executive directors:

Dr LEE Shau Kee
Mr LEE Ka Shing
Mr Richard TANG Yat Sun
Mr Colin LAM Ko Yin
Mr Eddie LAU Yum Chuen
Mr Norman HO Hau Chong

Non-executive directors:

Dr Patrick FUNG Yuk Bun
Mr Dominic CHENG Ka On
Mr Tony NG
Mr Howard YEUNG Ping Leung
Mr Thomas LIANG Cheung Biu
Mr Alexander AU Siu Kee

Independent non-executive directors:

Dr David SIN Wai Kin
Mr WU King Cheong
Dr Timpson CHUNG Shui Ming

The biographical details of the directors and relationship among them are shown under the section "Biographical Details of Directors and Senior Management" in this Annual Report. Save as disclosed therein, there is no financial, business, family or other material/relevant relationship among the directors.

All the non-executive directors (including independent non-executive directors) of the Company have been appointed for a term of not more than three years. The terms of Dr David Sin Wai Kin, Mr Thomas Liang Cheung Biu and Dr Timpson Chung Shui Ming are up to 31 December 2011; Dr Patrick Fung Yuk Bun, Mr Howard Yeung Ping Leung and Mr Tony Ng up to 31 December 2012; Mr Dominic Cheng Ka On, Mr Wu King Cheong and Mr Alexander Au Siu Kee up to 31 December 2013; and all are subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company.

The Board has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board considers all the independent non-executive directors are independent.

The roles undertaken by Dr Lee Shau Kee as Chairman of the Company and Mr Lee Ka Shing as Managing Director (whose status is equivalent to chief executive officer for the purpose of the CG Code but not otherwise) are segregated.

The Board makes broad policy decisions and has delegated the responsibility to the Managing Director for corporate policy formulation and schematisation, as well as promoting the Group's business development and enhancing its competitiveness and status in the industry. The key function of the Chairman is the management of the Board. The day-to-day management and operation of the Company's businesses are delegated to the senior management. The Board has the following matters specifically reserved for its approval:

1. Major acquisitions and disposals, and joint ventures;

2. Major project investments, and major capital expenditure programmes;

3. Annual budgets, and business and financial plans;

4. Financial statements, dividend distributions, capital structure, treasury policy, and accounting policy;

5. Remuneration policy and terms of employment of the senior executive team; and

6. Public announcements as required under the Listing Rules.

During the twelve months ended 31 December 2010, four board meetings were held to review and approve financial results, evaluate operating performance and direct business development. The Board has established three board committees to assist it in carrying out its responsibilities; and they are the General Purpose Committee, the Remuneration Committee and the Audit Committee, all of which have defined terms of reference setting out their respective duties, powers and functions.

GENERAL PURPOSE COMMITTEE

The General Purpose Committee comprises five members, all of them are executive directors, namely Mr Lee Ka Shing, Mr Richard Tang Yat Sun, Mr Colin Lam Ko Yin, Mr Eddie Lau Yum Chuen and Mr Norman Ho Hau Chong. The General Purpose Committee operates with delegated authority from the Board.

REMUNERATION COMMITTEE

The Remuneration Committee comprises five members, three of them are independent non-executive directors, namely Dr David Sin Wai Kin, Mr Wu King Cheong and Dr Timpson Chung Shui Ming, and two are executive directors, namely Dr Lee Shau Kee and Mr Richard Tang Yat Sun. Dr Lee Shau Kee is the Chairman of the Remuneration Committee.

The Remuneration Committee meets at least once a year to review the structure of remunerations for directors and senior management with reference to the skill, knowledge, experience, responsibilities, individual performance and the overall profitability of the Company. The Remuneration Committee regards that the remunerations offered to the directors and senior management are appropriate for their duties and in line with market practice. No director would be involved in deciding his own remunerations.

AUDIT COMMITTEE

The Audit Committee is primarily responsible for review of the financial results of the Group and oversight of the Group's financial controls, internal controls and risk management systems. It comprises five members, three of them are independent non-executive directors, namely Dr David Sin Wai Kin, Mr Wu King Cheong and Dr Timpson Chung Shui Ming, and two are non-executive directors, namely Dr Patrick Fung Yuk Bun and Mr Dominic Cheng Ka On. Dr Timpson Chung Shui Ming is the Chairman of the Audit Committee.

The Audit Committee met eight times during the twelve months ended 31 December 2010. The major work performed by the Audit Committee included reviewing the Group's internal controls, internal audit reports, audit plans, annual reports, interim reports, financial statements, connected transactions and approving the remunerations and terms of engagement of the external auditors.

ATTENDANCE RECORD OF THE MEETINGS

The number of meetings held by the Board and Committees during the twelve months ended 31 December 2010 and the attendance of directors is set out in the table below:

	Meetings attended/held		
Directors	Board	Audit Committee	Remuneration Committee
Executive Directors			
Dr LEE Shau Kee	4/4	N/A	1/1
Mr LEE Ka Shing	4/4	N/A	N/A
Mr Richard TANG Yat Sun	3/4	N/A	1/1
Mr Colin LAM Ko Yin	4/4	N/A	N/A
Mr Eddie LAU Yum Chuen	4/4	N/A	N/A
Mr Norman HO Hau Chong	4/4	N/A	N/A
Non-executive Directors			
Dr Patrick FUNG Yuk Bun	4/4	8/8	N/A
Mr Dominic CHENG Ka On	4/4	8/8	N/A
Mr Tony NG	2/4	N/A	N/A
Mr Howard YEUNG Ping Leung	3/4	N/A	N/A
Mr Thomas LIANG Cheung Biu	4/4	N/A	N/A
Mr Alexander AU Siu Kee	4/4	N/A	N/A
Independent Non-executive Directors			
Dr David SIN Wai Kin	4/4	7/8	1/1
Mr WU King Cheong	4/4	8/8	1/1
Dr Timpson CHUNG Shui Ming	4/4	8/8	1/1

NOMINATION COMMITTEE

The Company does not have a nomination committee, and the power to nominate or appoint additional directors is vested in the Board according to the Articles of Association. In addition, the shareholders can nominate any person to become a director of the Company in accordance with the Articles of Association of the Company and the law of Hong Kong.

The Board from time to time reviews the composition of the Board with particular regard to ensuring that there is an appropriate number of directors on the Board. The Directors will evaluate the balance of skills, qualification, knowledge and experience of the candidate to the directorship as may be required by the Company from time to time.

AUDITORS' REMUNERATION

During the twelve months ended 31 December 2010, the fees (before out-of-pocket expenses) paid/payable to the Company's auditors, KPMG, for the provision of audit services and non-audit services are as follows:

	Remuneration HK$'000
Audit services	3,438
Non-audit services:	
Interim review	340
Other services	23
	3,801

ACCOUNTABILITY AND AUDIT

The Directors are responsible for overseeing the preparation of the annual financial statements which give a true and fair view of the Group's state of affairs and of the results and cash flow for the year. The Group's financial statements are prepared in accordance with all relevant statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and that judgment and estimates made are prudent and reasonable; and that the accounts are prepared on an ongoing-concern basis.

A statement by the auditors about their reporting responsibilities is included in the Independent Auditor's Report on pages 64 to 65 of this Annual Report.

INTERNAL CONTROL

The Board has overall responsibility for the system of internal controls of the Company and has reviewed its effectiveness. The Board is committed to implementing an effective and sound internal controls system to safeguard the interests of shareholders and the Company's assets.

During the twelve months ended 31 December 2010, the Company, with reference to the COSO (The Committee of Sponsoring Organisations of the Treadway Commission) internal control framework, has conducted an assessment of the internal controls system against the five elements of COSO, namely control environment, risk assessment, control activities, information & communication and monitoring.

The Internal Audit Department of the Company, which reports directly to the Audit Committee and is independent of the Company's daily operations, is responsible for conducting risk-based audits on the major operating activities of the Group. Its objective is to ensure that all material controls, including financial, operational and compliance controls and risk management functions are in place and functioning effectively.

The Audit Committee has reviewed the financial results of the Group for the twelve months ended 31 December 2010 and discussed with the internal auditor and independent auditors matters on auditing, internal control and financial report of the Group.

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 twelve months ended 31 December 2010.

The directors have pleasure in submitting their annual report together with the audited financial statements for the twelve months ended 31 December 2010.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding, and the principal activities of its principal subsidiaries are property investment, property development and sales, hotel ownership and management, food and beverage operation and travel operation; the particulars of which are set out in note 12 to the financial statements.

The analysis of the principal activities and geographical locations of the operations of the Company and its subsidiaries during the twelve months ended 31 December 2010 are set out in note 10 to the financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

Due to the diversity and nature of the Group's activities, the aggregate percentage of the Group's sales and purchases attributable to the Group's five largest customers and suppliers respectively was less than 30%.

At 31 December 2010, none of the directors, their associates or shareholders who, to the knowledge of the directors, own more than 5% of the Company's share capital, had an interest in any of the five largest customers and suppliers.

FINANCIAL STATEMENTS

The profit of the Group for the twelve months ended 31 December 2010 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 66 to 140.

An interim dividend of 15 Hong Kong cents per share (six months ended 30 September 2009: 13 Hong Kong cents per share) was paid on 12 October 2010. The directors now recommend the payment of a final dividend of 22 Hong Kong cents per share (nine months ended 31 December 2009: 10 Hong Kong cents per share) in respect of the twelve months ended 31 December 2010, totalling HK$213,576,000.

CHARITABLE DONATIONS

Donations made by the Group during the twelve months ended 31 December 2010 amounted to HK$114,540 (nine months ended 31 December 2009: HK$1,225,911).

FIXED ASSETS

Details of movements in fixed assets are set out in note 11 to the financial statements.

DIRECTORS

The directors who held office during the twelve months ended 31 December 2010 and up to the date of this report were:

Executive directors:

Dr LEE Shau Kee
Mr LEE Ka Shing
Mr Richard TANG Yat Sun
Mr Colin LAM Ko Yin
Mr Eddie LAU Yum Chuen
Mr Norman HO Hau Chong

Non-executive directors:

Dr Patrick FUNG Yuk Bun
Mr Dominic CHENG Ka On
Mr Tony NG
Mr Howard YEUNG Ping Leung
Mr Thomas LIANG Cheung Biu
Mr Alexander AU Siu Kee

Independent non-executive directors:

Dr David SIN Wai Kin
Mr WU King Cheong
Dr Timpson CHUNG Shui Ming

In accordance with Articles 77, 78 and 79, Dr Patrick Fung Yuk Bun, Mr Lee Ka Shing, Mr Richard Tang Yat Sun, Mr Alexander Au Siu Kee and Mr Wu King Cheong will retire at the forthcoming Annual General Meeting by rotation. The above five directors, being all eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming Annual General Meeting has an unexpired service contract which is not determinable by the Company within one year without payment of compensation, other than normal statutory obligations.

DISCLOSURE OF INTERESTS

Directors' interests in shares

At 31 December 2010, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Name of Company	Name of Director	Personal Interests	Family Interests	Corporate Interests	Other Interests	Percentage of total issued shares
Miramar Hotel and Investment Company, Limited	Dr LEE Shau Kee	–	–	255,188,250 *(note 1)*	–	44.21%
	Dr David SIN Wai Kin	4,158,000	–	–	–	0.72%
	Mr LEE Ka Shing	–	–	–	255,188,250 *(note 2)*	44.21%
	Dr Patrick FUNG Yuk Bun	–	–	–	8,426,710 *(note 3)*	1.46%
	Mr Dominic CHENG Ka On	7,774,640	4,000	–	–	1.35%
	Mr Richard TANG Yat Sun	125,000	–	11,241,900 *(note 4)*	–	1.97%
	Mr Thomas LIANG Cheung Biu	–	1,080,000 *(note5)*	–	–	0.19%
Booneville Company Limited	Dr LEE Shau Kee	–	–	2 *(note 6)*	–	100%
	Mr LEE Ka Shing	–	–	–	2 *(note 6)*	100%
Henderson-Miramar Hotels Holdings Limited	Dr LEE Shau Kee	–	–	2 *(note 7)*	–	100%
	Mr LEE Ka Shing	–	–	–	2 *(note 7)*	100%
Centralplot Inc.	Mr Richard TANG Yat Sun	2,221	–	–	–	2%
Strong Guide Property Limited	Dr LEE Shau Kee	–	–	2 *(note 8)*	–	100%
	Mr LEE Ka Shing	–	–	–	2 *(note 8)*	100%

Save as disclosed above, at 31 December 2010, none of the directors or the chief executive of the Company had held any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as defined in the SFO.

Apart from the foregoing, at no time during the twelve months ended 31 December 2010 was the Company or any subsidiary a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Substantial shareholders and others

The Company has been notified of the following interests in the Company's issued shares at 31 December 2010, amounting to 5% or more of the shares in issue:

Substantial shareholders	**Ordinary shares held**	**Percentage of total issued shares**
Dr Lee Shau Kee	255,188,250 *(note 1)*	44.21%
Mr Lee Ka Shing	255,188,250 *(note 2)*	44.21%
Rimmer (Cayman) Limited ("Rimmer")	255,188,250 *(note 9)*	44.21%
Riddick (Cayman) Limited ("Riddick")	255,188,250 *(note 9)*	44.21%
Hopkins (Cayman) Limited ("Hopkins")	255,188,250 *(note 9)*	44.21%
Henderson Development Limited ("Henderson Development")	255,188,250 *(note 10)*	44.21%
Henderson Land Development Company Limited ("Henderson Land")	255,188,250 *(note 10)*	44.21%
Aynbury Investments Limited ("Aynbury")	255,188,250 *(note 10)*	44.21%
Higgins Holdings Limited ("Higgins")	100,612,750 *(note 10)*	17.43%
Multiglade Holdings Limited ("Multiglade")	79,121,500 *(note 10)*	13.71%
Threadwell Limited ("Threadwell")	75,454,000 *(note 10)*	13.07%
Persons other than substantial shareholders		
Mr Chong Wing Cheong	57,594,210	9.98%

Save as disclosed above, at 31 December 2010, none of the above shareholders had held any interests or short position in the shares, underlying shares or debentures of the Company or any of its associated corporation as defined in the SFO.

Notes:

(1) Dr Lee Shau Kee beneficially owned all the issued shares in Rimmer, Riddick and Hopkins. By virtue of the SFO, Dr Lee Shau Kee is taken to be interested in 255,188,250 shares, which are duplicated in the interests described in Notes 2, 9 and 10.

(2) As director of the Company and one of the discretionary beneficiaries of two discretionary trusts holding units in a unit trust ("Unit Trust") as described in Note 9, Mr Lee Ka Shing is taken to be interested in 255,188,250 shares, which are duplicated in the interests described in Notes 1, 9 and 10, by virtue of the SFO.

(3) All these shares were held by a unit trust of which Dr Patrick Fung Yuk Bun was a beneficiary.

(4) These shares were held through corporations in which Mr Richard Tang Yat Sun owned more than 30% of the issued share capital.

(5) All these shares were held by a trust of which Mr Thomas Liang Cheung Biu's spouse was a beneficiary.

(6) These 2 shares in Booneville Co Ltd were equally owned by a wholly-owned subsidiary of the Company and Henderson Land. By virtue of the SFO, Dr Lee Shau Kee and Mr Lee Ka Shing are taken to be interested in Henderson Land and the Company as set out in Notes 1, 2, 9 and 10.

(7) These 2 shares in Henderson-Miramar Hotels Holdings Ltd were equally owned by a wholly-owned subsidiary of the Company and Henderson Investment which was 67.94% held by Henderson Land. By virtue of the SFO, Dr Lee Shau Kee and Mr Lee Ka Shing are taken to be interested in Henderson Land and the Company as set out in Notes 1, 2, 9 and 10.

(8) These 2 shares in Strong Guide Property Ltd were equally owned by the respective wholly-owned subsidiaries of the Company and Henderson Land. By virtue of the SFO, Dr Lee Shau Kee and Mr Lee Ka Shing are taken to be interested in Henderson Land and the Company as set out in Notes 1, 2, 9 and 10.

(9) Rimmer and Riddick, trustees of different discretionary trusts, held units in the Unit Trust. Hopkins was the trustee of the Unit Trust which beneficially owned all the issued ordinary shares in the share capital of Henderson Development. These 255,188,250 shares are duplicated in the interests described in Notes 1, 2 and 10.

(10) Henderson Development had a controlling interest in Henderson Land which was the holding company of Aynbury. The 255,188,250 shares were beneficially owned by some of the subsidiaries of Aynbury. Higgins, Multiglade and Threadwell were subsidiaries of Aynbury. These 255,188,250 shares represent the shares described in Notes 1, 2 and 9.

DIRECTORS' AND MANAGEMENT EMOLUMENTS

Particulars of directors' emoluments and the five highest paid individuals in the Group are set out in notes 5 and 6 respectively to the financial statements.

CONTINUING CONNECTED TRANSACTIONS AND CONNECTED TRANSACTION

The Group has the following continuing connected transactions and connected transaction during the twelve months ended 31 December 2010:

(1) On 8 February 2005, a confirmation of sub-lease (the "Confirmation of Sub-Lease") was entered into between Profit Advantage Limited, a wholly-owned subsidiary of the Company as tenant (the "Tenant") and IFC Development Limited as landlord (the "Landlord"), whereby the Landlord agreed to sub-lease to the Tenant the premises upon the terms as detailed below:

Premises	:	Shop Nos. 3101-3107 on Level Three of ifc Mall (Retail Accommodation on Site R of Inland Lot No. 8898) (the "ifc Premises").
Term	:	Initial term of three years which commenced from 7 July 2004 with a first option (the "1st Option") exercisable by the Tenant at the expiry of the initial sub-lease period on 6 July 2007 to renew the sub-lease of the ifc Premises for three years, and a second option (the "2nd Option") exercisable by the Tenant at the expiry of the First Renewed Period to renew the sub-lease of the ifc Premises for a further three years if the 1st Option is exercised by the Tenant.
Rent and other charges	:	The rent payable on monthly basis (exclusive of rates, air-conditioning and management charges, promotional levy and all other outgoings) during the term shall be as follows:

(a) From 7 November 2004 to 6 July 2005, basic rent in the sum of HK$435,726.00 per month together with turnover rent representing the amount by which 10% of the gross amount of all sums billed or received in the course of the Tenant's business conducted at the ifc Premises (excluding 10% service charge) exceeds the basic rent per month (the "Turnover Rent");

(b) From 7 July 2005 to 6 July 2007, basic rent in the sum of HK$484,140.00 per month together with the Turnover Rent;

(c) From 7 July 2007 to 6 July 2010 (the "First Renewed Period"), provided the 1st Option is exercised by the Tenant, at open market rent provided that the basic rent shall not be less than HK$484,140.00 per month or more than HK$580,968.00 per month, together with the Turnover Rent; and

(d) From 7 July 2010 to 6 July 2013 (the "Second Renewed Period"), provided the 2nd Option is exercised by the Tenant, at open market rent provided that the basic rent shall not be less than the basic rent paid for the last calendar month of the First Renewed Period or more than 120% of the basic rent paid for the last calendar month of the First Renewed Period, together with the Turnover Rent.

		Air-conditioning and management charges and promotional levy payable on monthly basis during the term shall be approximately HK$193,656.00 per month (subject to review from time to time in accordance with the terms of the Confirmation of Sub-Lease).

Upon the expiry of the initial term of the Sub-Lease, the Tenant exercised the 1st Option to renew the Sub-Lease (the "First Renewed Sub-Lease") and certain storerooms and advertisement lightbox(es) at the ifc Mall were also licenced by the Landlord to the Tenant (the "Licences") upon the terms as detailed below:

Term	:	Three years commencing from 7 July 2007 to 6 July 2010, subject to the 2nd Option, and for the Licences, on an annual basis, subject to termination upon termination of the First Renewed Sub-Lease.
Rent and other charges	:	The First Renewed Sub-Lease is at a basic rent of HK$580,968.00 plus the Turnover Rent (exclusive of rates, air-conditioning and management charges, promotional levy and all other outgoings (if any)); and the Licences are at an aggregate licence fee of HK$29,628.00 (inclusive of management charges but exclusive of air-conditioning charges, rates, electricity, tax and other outgoings (if any)) per month; which shall both be payable on a monthly basis; and The aggregate air-conditioning and management charges and promotional levy payable on monthly basis in respect of the First Renewed Sub-Lease shall be approximately HK$348,000.00 per month (subject to review from time to time). The aggregate air-conditioning charges payable on a monthly basis in respect of the Licences shall be approximately HK$13,400.00 per month (subject to review from time to time).

Upon the expiry of the First Renewed Period on 6 July 2010, the Tenant exercised the 2nd Option to renew the sub-lease of the ifc Premises (the "Second Renewed Sub-Lease") and certain storerooms and advertisement lightbox(es) at the ifc Mall were also licenced by the Landlord to the Tenant (the "Licences") upon the terms as detailed below:

Term	:	Three years commencing from 7 July 2010 to 6 July 2013, and for the Licences, on an annual basis, subject to termination upon termination of the Second Renewed Sub-Lease.
Rent and other charges	:	The Second Renewed Sub-Lease is at a basic rent of HK$697,161.60 plus the Turnover Rent (exclusive of rates, air-conditioning and management charges, promotional levy and all other outgoings (if any)); and the Licences are at an aggregate licence fee of HK$31,630.00 (inclusive of management charges but exclusive of air-conditioning charges, rates, electricity, tax and other outgoings (if any)) per month; which shall both be payable on a monthly basis; and

The aggregate air-conditioning and management charges and promotional levy payable on monthly basis in respect of the Second Renewed Sub-Lease shall be approximately HK$328,408.30 per month (subject to review from time to time) and the extra air-conditioning charges at a rate of HK$1,216.00 per day (subject to review from time to time). The aggregate air-conditioning charges payable on a monthly basis in respect of the Licences shall be approximately HK$21,814.22 per month (subject to review from time to time).

As the Landlord is an associate of Henderson Land Development Company Limited ("Henderson Land"), a substantial shareholder of the Company, it is a connected person of the Company under Rule 14A.11 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the entering into of the Confirmation of Sub-Lease constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

The Group has commenced operating two up-market restaurants at the ifc Mall since their soft openings on 6 February 2005 and the Directors (including independent non-executive Directors) are of the opinion that the ifc Mall, being a landmark in Hong Kong and located in the city center, is an ideal location for the Company to continue to operate the two up-market restaurants and to bring profits to the Group. The storerooms and the advertisement lightbox(es) under the Licences are used in connection with the restaurant business and the Directors are of the opinion that the use of the storerooms and the advertisement lightbox(es) are desirable for the operation of the restaurant business in ifc Mall.

(2) On 17 August 2007, a lease (the "1801-02 Lease") was entered into between Shahdan Limited ("Shahdan") as landlord and Union Medical Centre Limited ("Union Medical") as tenant, whereby Shahdan agreed to let to Union Medical the premises upon the terms as detailed below:

Premises	:	Units 1801-02, 18th Floor, Miramar Tower, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong (the "Miramar Tower 1801-02 Premises").
Term	:	Three years commencing from 1 June 2007 to 31 May 2010.
Rent and other charges	:	The rent payable on a monthly basis (exclusive of government rates, management fee and air-conditioning charges) during the term is HK$145,300.00; and The aggregate monthly management fee and air-conditioning charges (subject to the periodic review by Shahdan or its designated management company of Miramar Tower) is HK$23,026.70.
Rent-free period	:	Two months of rent-free period commencing from 1 June 2007 during which Union Medical was not obliged to pay rent but shall pay for the management fee, air-conditioning charges, government rates and utility charges for the Miramar Tower 1801-02 Premises.

Union Medical is a company indirectly controlled by the private trust of the family of Dr Lee Shau Kee. Accordingly, Union Medical is a connected person of the Company thereby rendering the 1801-02 Lease a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

(3) On 15 August 2008, the Group entered into the following agreements with Henderson Real Estate Agency Limited ("HREAL") which constituted continuing connected transactions for the Company:

(i) A tenancy agreement (the "Tenancy Agreement") entered into between Shahdan as landlord and HREAL as tenant;

(ii) A licence agreement (the "Podium Roof Licence Agreement") entered into between Shahdan as licensor and HREAL as licensee; and

(iii) A licence agreement (the "Fan Room Licence Agreement") entered into between Shahdan as licensor and HREAL as licensee.

Details of the terms and conditions of the agreements are set out as follows:

Details of the Tenancy Agreement

Premises	:	Shop 3013, 3/F., Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong (the "Shop 3013 Premises").
Term	:	Three years commencing from 16 June 2008.
Rent and other charges:	:	(a) rent payable on a monthly basis (exclusive of Government rates, management fee, air-conditioning charges and promotion contribution) during the term is HK$468,000.00, subject to the construction of the standard provision in the Shop 3013 Premises in relation to inter alia, shop front, leased boundary walls, ceiling, floor etc. (the "Landlord's Standard Provisions"); (b) aggregate monthly management fee and air-conditioning charges (subject to the periodic review by Shahdan or its designated building manager) is HK$73,949.00; (c) monthly promotion contribution, being 1% of the monthly rent of the Shop 3013 Premises (subject to periodic review by Shahdan) is HK$4,680.00; (d) Government rates as per Government's assessment; (e) vetting fee payable to Shahdan for vetting HREAL's decoration plans is HK$14,415.00;

		(f) debris disposal fee payable to Shahdan upon signing of the Tenancy Agreement is HK$28,830.00; and
		(g) professional fees, including Shahdan's project architects, if any, in approving HREAL's decoration plans.
Rent-free period	:	Rent-free period for 2 months starting from 16 June 2008 during which HREAL is not obliged to pay rent but has to pay for the management fee, air-conditioning charges, Government rates and promotion contribution.
User	:	To be used as a property agency only.

Details of the Podium Roof Licence Agreement

Podium Roof	:	Portion of Podium Roof, 3/F., Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.
Term	:	Three years commencing from 16 June 2008.
Licence fee and other charges	:	(a) licence fee payable on a monthly basis (exclusive of Government rates and management fee) during the term is HK$162,000.00;
		(b) monthly management fee (subject to the periodic review by Shahdan or its designated building manager) is HK$8,901.20;
		(c) vetting fee payable to Shahdan for vetting HREAL's decoration plans is HK$12,449.00;
		(d) Government rates as per Government's assessment;
		(e) debris disposal fee payable to Shahdan upon signing of the Podium Roof Licence Agreement is HK$24,898.00; and
		(f) professional fees, including Shahdan's project architects, if any, in approving HREAL's decoration plans.
Licence fee-free Period	:	Licence fee-free period for 2 months starting from 16 June 2008 during which HREAL is not obliged to pay licence fee but has to pay for the management fee and Government rates.
User	:	Restricted to legal usage only.

Details of the Fan Room Licence Agreement

Fan Room	:	Fan Room, 3/F., Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.
Term	:	Three years commencing from 16 June 2008.
Licence fee and other charges	:	(a) licence fee payable on a monthly basis (exclusive of Government rates) during the term is HK$32,000.00; (b) Government rates as per Government's assessment; (c) vetting fee payable to Shahdan for vetting HREAL's decoration plans is HK$2,440.00; (d) debris disposal fee payable to Shahdan upon signing of the Fan Room Licence Agreement is HK$4,880.00; and (e) professional fees, including Shahdan's project architects, if any, in approving HREAL's decoration plans.
Licence fee-free Period	:	Licence fee-free period for 2 months starting from 16 June 2008 during which HREAL is not obliged to pay licence fee but has to pay for the Government rates.
User	:	Restricted to legal usage only.

Pursuant to the Tenancy Agreement, Shahdan is responsible to provide for the Landlord's Standard Provisions, which shall be carried out by HREAL. HREAL will engage Heng Tat Construction Company Limited, a wholly-owned subsidiary of Henderson Land, to carry out the Landlord's Standard Provisions and Shahdan will reimburse HREAL for actual expenses incurred thereof up to a maximum amount of HK$1,789,078.00.

HREAL is a wholly-owned subsidiary of Henderson Land, which in turn is a substantial shareholder of the Company holding approximately 44.21% interests in the Company. Accordingly, HREAL is a connected person of the Company, thereby rendering the construction of the Landlord's Standard Provisions in the Shop 3013 Premises a connected transaction for the Company and the Tenancy Agreement, the Podium Roof Licence Agreement and the Fan Room Licence Agreement continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

(4) On 12 September 2008, the Group entered into the following agreements with HREAL which constituted continuing connected transactions for the Company:

(i) A tenancy agreement (the "First Tenancy Agreement") entered into between Shahdan as landlord and HREAL as tenant;

(ii) A tenancy agreement (the "Second Tenancy Agreement") entered into between Shahdan as landlord and HREAL as tenant;

(iii) A licence agreement (the "Signage A Licence Agreement") entered into between Shahdan as licensor and HREAL as licensee; and

(iv) A tenancy agreement (the "Third Tenancy Agreement") entered into between Shahdan as landlord and HREAL as tenant.

Details of the terms and conditions of the agreements are set out as follows:

Details of the First Tenancy Agreement

Premises	:	Shop 503C, 5/F., Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong (the "Shop 503C Premises").
Term	:	One year commencing from 5 February 2009 to 4 February 2010.
Rent and other charges	:	(a) rent payable on a monthly basis (exclusive of Government rates, management fee, air-conditioning charges and promotion contribution) during the term is HK$166,000.00; (b) Government rates (subject to Government's review) is HK$17,850.00 per quarter; (c) aggregate monthly management fee and air-conditioning charges (subject to the review at such time to be determined by Shahdan or its designated management company of the Shop 503C Premises) is HK$25,742.30; and (d) monthly promotion contribution, being 1% of the monthly rent of the Shop 503C Premises, that is, HK$1,660.00, subject to periodic review by Shahdan.
User	:	To be used as a property agency only.

Details of the Second Tenancy Agreement

Premises	:	Office units 609-12, 6/F., Miramar Tower, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong (the "Miramar Tower 609-12 Premises").
Term	:	One year commencing from 5 February 2009 to 4 February 2010.
Rent and other charges	:	(a) rent payable on a monthly basis (exclusive of Government rates, management fee and air-conditioning charges) during the term is HK$329,000.00; (b) Government rates (subject to Government's review) is HK$35,700.00 per quarter; and

(c) aggregate monthly management fee and air-conditioning charges (subject to the periodic review by Shahdan or its designated management company of Miramar Tower 609-12 Premises) is HK$43,248.00.

User : To be used under the name of HREAL only.

Details of the Signage A Licence Agreement

Signage A : Signage A on the external wall facing Nathan Road of Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.

Term : One year commencing from 1 March 2009 to 28 February 2010.

Licence fee and other charges : (a) The licence fee (inclusive of electricity charges) payable on a monthly basis during the term is HK$68,000.00; and

(b) Government rates as per Government's assessment.

User : To be used for advertising the trade name of the licensee only.

Details of the Third Tenancy Agreement

Premises : Shop 503A and Shop 503B, 5/F., Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong (the "Shop 503A and Shop 503B Premises").

Term : For the period of eighteen months and four days commencing from 1 August 2008 to 4 February 2010.

Rent and other charges : (a) rent payable on a monthly basis (exclusive of Government rates, management fee, air-conditioning charges and promotion contribution) during the term is HK$343,400.00;

(b) aggregate monthly management fee and air-conditioning charges (subject to the periodic review by Shahdan or its designated management company of the Shop 503A and Shop 503B Premises) is HK$46,960.10;

(c) Government rates (subject to Government's review) is HK$33,600.00 per quarter;

(d) vetting fee payable to Shahdan for vetting HREAL's decoration plans is HK$9,154.00;

(e) monthly promotion contribution, being 1% of the monthly rent of the Shop 503A and Shop 503B Premises, that is, HK$3,434.00, subject to periodic review by Shahdan;

(f) debris disposal fee is HK$18,308.00; and

(g) professional fees, including Shahdan's project architects or electrical and mechanical consultants, if any, in approving HREAL's decoration plans.

Rent-free period : HREAL is entitled to enjoy a rent-free period from 1 August 2008 to 30 September 2008.

User : To be used as a property agency only.

As HREAL is a connected person of the Company, the entering into of the First Tenancy Agreement, the Second Tenancy Agreement, the Signage A Licence Agreement and the Third Tenancy Agreement constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

(5) On 16 March 2009, a lease (the "Citistore Lease") was entered into between Shahdan as landlord and Citistore Limited ("Citistore") as tenant, whereby Citistore had agreed to lease from Shahdan the premises upon the terms as detailed below:

Citistore Premises : Shop 2004, 2nd Floor, Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.

Term : Three years commencing from 3 October 2008 to 2 October 2011.

Rent and other charges : (a) Basic rent payable on a monthly basis during the term is HK$138,000.00 (payable in advance on the 1st day of each month) plus the Annual Additional Turnover Rent as mentioned below (payable in arrear) (exclusive of Government rates, management fee, air-conditioning charges and promotion contribution);

The "Annual Additional Turnover Rent" refers to the additional turnover rent for each period of twelve (12) months, which equals to the amount of 10% of the turnover of Citistore's business during the relevant twelve (12) months' period less the annual basic rent for the same twelve (12) months (applicable only where the aforesaid 10% of the turnover exceeds the aforesaid annual basic rent);

(b) Government rates (subject to Government's review) is HK$14,250.00 per quarter (payable on the 1st day of January, April, July and October);

(c) aggregate monthly management fee and air-conditioning charges (subject to periodic review by Shahdan or its building manager) is HK$32,411.30 (payable in advance on the 1st day of each month);

(d) monthly promotion contribution, being 1% of the monthly basic rent as referred to in (a) above (subject to periodic review by Shahdan) (payable in advance on the 1st day of each month); and

(e) monthly licence fee for the licence of lightboxes numbered 11 and 12 of the external wall above the main entrance of the Miramar Shopping Centre shall be HK$6,000.00 (payable in advance on the 1st day of each month).

User	:	To be used as retail shop only.

As Citistore is a wholly-owned subsidiary of Henderson Land, which in turn a substantial shareholder of the Company. Accordingly, Citistore is a connected person of the Company and the entering into of the Citistore Lease constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

(6) On 24 July 2009, a lease (the "1817-18 Lease") was entered into between Shahdan as landlord and Union Medical as tenant, whereby Shahdan agreed to let to Union Medical the premises upon the terms as detailed below:

Premises	:	Units 1817-18, 18th Floor, Miramar Tower, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong (the "Miramar Tower 1817-18 Premises").
Term	:	Three years commencing from 12 June 2009 to 11 June 2012.
Rent and other charges	:	The rent payable on a monthly basis (exclusive of government rates, management fee and air-conditioning charges) during the term is HK$65,000.00; and The aggregate monthly management fee and air-conditioning charges (subject to the periodic review by Shahdan or its designated management company of Miramar Tower) is HK$10,171.80.

As Union Medical is a connected person of the Company, the entering into of the 1817-18 Lease constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rule.

As the 1801-02 Lease and 1817-18 Lease were entered into by Shahdan with the same connected person and all two leases were in respect of the premises in the same building and on the same floor, they were regarded as related transactions and therefore were treated as if they were one transaction pursuant to Rule 14A.25 of the Listing Rules.

(7) On 2 February 2010, a lease (the "1803-07 and 1812 Lease") was entered into between Shahdan as landlord and Union Medical as tenant, whereby Shahdan agreed to let to Union Medical the premises upon the terms as detailed below:

Premises	:	Units 1803, 1804-06, 1807 and 1812, 18th Floor, Miramar Tower, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong (the "Miramar Tower 1803-07 and 1812 Premises").
Term	:	Three years commencing from 1 February 2010 to 31 January 2013.
Rent and other charges	:	The total rent payable on a monthly basis (exclusive of government rates, management fee and air-conditioning charges) during the term is HK$361,000.00; The aggregate monthly management fee and air-conditioning charges (subject to the periodic review or revision by Shahdan or its designated property manager) is HK$64,247.90; and Extra chilled water supply costs may be charged by Shahdan to Union Medical for additional chilled water supply required by Union Medical which is beyond the specified normal daily chilled water supply hours.
Rent-free period	:	Three months commencing from 1 February 2010 during which Union Medical shall not be obliged to pay rent but shall pay the management fee, air-conditioning charges, government rates and utility charges for the Miramar Tower 1803-07 and 1812 Premises.

As Union Medical is a connected person of the Company, the entering into of the 1803-07 and 1812 Lease constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rule.

As the 1801-02 Lease, 1817-18 Lease and 1803-07 and 1812 Lease were entered into by Shahdan with the same connected person and all three leases were in respect of the premises in the same building and on the same floor, they were regarded as related transactions and therefore were treated as if they were one transaction pursuant to Rule 14A.25 of the Listing Rules.

(8) On 26 February 2010, the Group entered into the following agreements with HREAL which constituted continuing connected transactions for the Company:

(i) A tenancy agreement (the "Renewal First Tenancy Agreement") entered into between Shahdan as landlord and HREAL as tenant;

(ii) A tenancy agreement (the "Renewal Second Tenancy Agreement") entered into between Shahdan as landlord and HREAL as tenant; and

(iii) A licence agreement (the "Renewal Signage A Licence Agreement") entered into between Shahdan as licensor and HREAL as licensee.

Details of the terms and conditions of the agreements are set out as follows:

Details of the Renewal First Tenancy Agreement

Premises	:	Shop 503A-C, 5/F., Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong (the "Shop 503A-C Premises").
Term	:	For a term of eighteen months commencing from 5 February 2010 to 4 August 2011, both days inclusive, provided that both the landlord and the tenant shall have the right to early terminate this tenancy agreement by giving a notice of not less than three months to other party after 5 November 2010.
Rent and other charges	:	(a) rent payable on a monthly basis (exclusive of Government rates, management fee, air-conditioning charges and promotion contribution) during the term is HK$421,000.00; (b) Government rates (subject to Government's review) is HK$59,250.00 per quarter; (c) aggregate monthly management fee and air-conditioning charges (subject to the review at such time to be determined by Shahdan or its designated management company of the Shop 503A-C Premises) is HK$76,528.80; and (d) monthly promotion contribution, being 1% of the monthly rent of the Shop 503A-C Premises, that is, HK$4,210.00, subject to periodic review by Shahdan.
User	:	To be used as a property agency only.

Details of the Renewal Second Tenancy Agreement

Premises	:	Office units 609-12, 6/F., Miramar Tower, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong (the "Miramar Tower 609-12 Premises").
Term	:	A fixed term of eighteen months commencing from 5 February 2010 to 4 August 2011, both days inclusive. Both the landlord and the tenant shall have the right to early terminate this tenancy agreement by serving three months' prior written notice to other party after 5 November 2010.
Rent and other charges	:	(a) rent payable on a monthly basis (exclusive of Government rates, management fee and air-conditioning charges) during the term is HK$232,000.00; (b) Government rates (subject to Government's review) is HK$38,250.00 per quarter; and (c) aggregate monthly management fee and air-conditioning charges (subject to the periodic review by Shahdan or its designated management company of Miramar Tower 609-12 Premises) is HK$44,574.00.
User	:	To be used under the name of HREAL only.

Details of the Renewal Signage A Licence Agreement

Signage A	:	Signage A on the external wall facing Nathan Road of Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.
Term	:	A term of eighteen months commencing from 1 March 2010 to 31 August 2011 subject to the right of early termination. Both the licensor and the licensee shall have the right to early terminate this licence agreement by giving a notice not less than 3 months after 1 December 2010.
Licence fee and other charges	:	(a) The licence fee (inclusive of electricity charges) payable on a monthly basis during the term is HK$50,000.00; and (b) Government rates (subject to Government's review) is HK$4,050.00 per quarter.
User	:	To be used for advertising the trade name of the licensee only.

As HREAL is a connected person of the Company, the entering into of the Renewal First Tenancy Agreement, Renewal Second Tenancy Agreement and Renewal Signage A Licence Agreement constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

(9) On 22 June 2010, the Group entered into the following agreements with Union Medical which constituted continuing connected transactions for the Company:

(i) A lease (the "Renewal 1801-02 Lease") entered into between Shahdan as landlord and Union Medical as tenant; and

(ii) A lease (the "1808 and 1813 Lease") entered into between Shahdan as landlord and Union Medical as tenant.

Details of the terms and conditions of the leases are set out as follows:

Details of the Renewal 1801-02 Lease

Premises	:	Units 1801-02, 18th Floor, Miramar Tower, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong (the "Miramar Tower 1801-02 Premises").
Term	:	Three years commencing from 1 June 2010 to 31 May 2013.
Rent and other charges	:	The rent payable on a monthly basis (exclusive of government rates, management fee and air-conditioning charges) during the term is HK$130,000.00; and The aggregate monthly management fee and air-conditioning charges (subject to the periodic review or revision by Shahdan or its designated property manager) is HK$24,424.00.
Sublet	:	The tenant shall have the right to sublet a part of the Miramar Tower 1801-02 Premises during the term to Paragon Clinic Limited, which is a third party (not being a connected person of the Company).

Details of the 1808 and 1813 Lease

Premises	:	Units 1808 and 1813, 18th Floor, Miramar Tower, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong (the "Miramar Tower 1808 and 1813 Premises").
Term	:	Three years commencing from 15 June 2010 to 14 June 2013.
Rent and other charges	:	The total rent payable on a monthly basis (exclusive of government rates, management fee and air-conditioning charges) during the term is HK$133,000.00; The aggregate monthly management fee and air-conditioning charges (subject to the periodic review or revision by Shahdan or its designated property manager) is HK$23,392.70; and Extra chilled water supply costs may be charged by Shahdan to Union Medical for additional chilled water supply required by Union Medical which is beyond the specified normal daily chilled water supply hours.
Rent-free period	:	Two months commencing from 15 June 2010 during which Union Medical shall not be obliged to pay rent but shall pay the management fee, air-conditioning charges, government rates and utility charges for the Miramar Tower 1808 and 1813 Premises.

As Union Medical is a connected person of the Company, the entering into of the Renewal 1801-02 Lease and the 1808 and 1813 Lease constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rule.

As the 1817-18 Lease, 1803-07 and 1812 Lease, Renewal 1801-02 Lease and 1808 and 1813 Lease were entered into by Shahdan with the same connected person and all four leases were in respect of the premises in the same building and on the same floor, they were regarded as related transactions and therefore were treated as if they were one transaction pursuant to Rule 14A.25 of the Listing Rules.

(10) On 26 August 2010, a confirmation of lease (the "Confirmation of Lease") was entered into between Profit Advantage Limited, a wholly owned subsidiary of the Company as tenant (the "Tenant") and 北京高億房地產開發有限公司 (Beijing Gaoyi Property Development Co., Ltd.*) as Landlord (the "Landlord"), whereby the Landlord agreed to lease to the Tenant the premises upon the terms as detailed below:

Premises	:	Unit Nos. 201, 202, 203, 204 and 205 on Level Two of West Tower, World Financial Centre, No. 1 East 3rd Ring Middle Road, Chaoyang District, Beijing, the People's Republic of China ("PRC"), of approximately 2,688.45 square meter (the "wfc Premises").
Term	:	Initial term of three years commencing from 15 November 2010 with a first option (the "1st Option") exercisable by the Tenant at the expiry of the initial lease period on 14 November 2013 to renew the lease at the wfc Premises for three years, and a second option exercisable by the Tenant to renew the lease of the wfc Premises for a further two years if the 1st Option is exercised by the Tenant.
Rent and other charges	:	The rent payable on monthly basis (exclusive of management fee and other related charges) during the term is the basic rent with reference to the net area of the wfc Premises at the rate of RMB130 (approximately HK$149.40) per square meter together with turnover rent representing the amount by which 7% of the gross turnover before tax per month derived from the business conducted at the wfc Premises (excluding 10% service charge, discounts and/or other rebates) exceeds the basic rent per month (the "Turnover Rent"); Notwithstanding the above, it is however provided that for the period from the date of commencement of the initial term and prior to the date before the leasing rate of the office space at the World Financial Centre having reached 50%, the basic rent payable per month for the wfc Premises shall only be at a basic rent calculated at the rate of RMB65 (approximately HK$74.70) per square meter per month and no Turnover Rent shall be required to be paid during such period. Upon the leasing rate having reached 50%, the rent payable per month shall revert to the basis as mentioned in the foregoing paragraph; and Management fee (exclusive of promotional levy) payable on monthly basis during the term is at the rate of RMB50 (approximately HK$57.47) per square meter with reference to the net area of the wfc Premises (subject to review from time to time by the Landlord or the property management company appointed by the Landlord).
Renovation period and rent free period	:	Renovation period of four months starting from 15 November 2010 to 14 March 2011, and rent free period of a further three months starting from 15 March 2011 to 14 June 2011, during which the Tenant is not obliged to pay rent but has to pay for the management fee and all other related charges.
User	:	The wfc Premises shall be used for operating an up-market restaurant.

As the Landlord is an indirect wholly owned subsidiary of Henderson Land, a substantial shareholder of the Company, it is an associate of Henderson Land and thus a connected person of the Company under the Listing Rules. The entering into of the Confirmation of Lease therefore constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Profit Advantage Limited is in the process of incorporating a wholly owned subsidiary in the PRC known as 北京國金軒餐飲有限公司 (Beijing Cuisine Cuisine Restaurant Company Limited*, the "Beijing Cuisine Cuisine") which will own and operate an up-market restaurant at the wfc Premises. It is contemplated that after the obtaining of the business licence of Beijing Cuisine Cuisine in the PRC and at the request of Profit Advantage Limited, Profit Advantage Limited, Beijing Cuisine Cuisine and the Landlord will enter into a Novation Agreement whereby Profit Advantage Limited will novate all its rights and obligations under the lease of the wfc Premises to Beijing Cuisine Cuisine to the effect that Beijing Cuisine Cuisine shall become the tenant.

The directors (including independent non-executive directors) are of the opinion that the World Financial Centre is an ideal location for the Company to operate the up-market restaurant and to bring profits to the Group.

* For identification only

(11) On 17 September 2010, the Group entered into the following agreements with Union Medical which constituted continuing connected transactions for the Company:

(i) A lease (the "1814 Lease") entered into between Shahdan as landlord and Union Medical as tenant; and

(ii) A lease (the "1815 Lease") entered into between Shahdan as landlord and Union Medical as tenant.

Details of the terms and conditions of the leases are set out as follows:

Details of the 1814 Lease

Premises	:	Unit 1814, 18th Floor, Miramar Tower, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong (the "Miramar Tower 1814 Premises").
Term	:	Three years commencing from 16 August 2010 to 15 August 2013.
Rent and other charges	:	The rent payable on a monthly basis (exclusive of government rates, management fee and air-conditioning charges) during the term is HK$31,000.00; The aggregate monthly management fee and air-conditioning charges (subject to the periodic review or revision by Shahdan or its designated property manager) is HK$5,222.20; and Extra chilled water supply costs may be charged by Shahdan to Union Medical for additional chilled water supply required by Union Medical which is beyond the specified normal daily chilled water supply hours.
Rent-free period	:	One month commencing from 16 August 2010 during which Union Medical shall not be obliged to pay rent but shall pay the management fee, air-conditioning charges, government rates and utility charges for the Miramar Tower 1814 Premises.

Details of the 1815 Lease

Premises	:	Unit 1815, 18th Floor, Miramar Tower, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong (the "Miramar Tower 1815 Premises").
Term	:	Three years commencing from 16 September 2010 to 15 September 2013.
Rent and other charges	:	The rent payable on a monthly basis (exclusive of government rates, management fee and air-conditioning charges) during the term is HK$21,500.00; The aggregate monthly management fee and air-conditioning charges (subject to the periodic review or revision by Shahdan or its designated property manager) is HK$3,579.10; and Extra chilled water supply costs may be charged by Shahdan to Union Medical for additional chilled water supply required by Union Medical which is beyond the specified normal daily chilled water supply hours.
Rent-free period	:	One month commencing from 16 September 2010 during which Union Medical shall not be obliged to pay rent but shall pay the management fee, air-conditioning charges, government rates and utility charges for the Miramar Tower 1815 Premises.

As Union Medical is a connected person of the Company, the entering into of the 1814 Lease and the 1815 Lease constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rule.

As the 1817-18 Lease, 1803-07 and 1812 Lease, Renewal 1801-02 Lease, 1808 and 1813 Lease, 1814 Lease and 1815 Lease were entered into by Shahdan with the same connected person and all six leases were in respect of the premises in the same building and on the same floor, they were regarded as related transactions and therefore were treated as if they were one transaction pursuant to Rule 14A.25 of the Listing Rules.

(12) On 7 December 2010, the Group entered into the following agreements with HREAL which constituted continuing connected transactions for the Company:

(i) A tenancy agreement (the "Renewal Tenancy Agreement") entered into between Shahdan as landlord and HREAL as tenant;

(ii) A licence agreement (the "Renewal Podium Roof Licence Agreement") entered into between Shahdan as licensor and HREAL as licensee; and

(iii) A licence agreement (the "Renewal Fan Room Licence Agreement") entered into between Shahdan as licensor and HREAL as licensee.

Details of the terms and conditions of the agreements are set out as follows:

Details of the Renewal Tenancy Agreement

Premises	:	Shop 3013, 3/F., Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong (the "Shop 3013 Premises").
Term	:	Two years commencing from 16 June 2011 to 15 June 2013, both days inclusive, provided that the tenant shall have the right to early terminate this tenancy by serving six months' prior written notice to the landlord.
Rent and other charges:	:	(a) rent payable on a monthly basis (exclusive of Government rates, management fee, air-conditioning charges and promotion contribution) during the term is HK$485,000.00; (b) aggregate monthly management fee and air-conditioning charges (subject to the periodic review by Shahdan or its designated building manager) is HK$77,841.00; (c) monthly promotion contribution, being 1% of the monthly rent of the Shop 3013 Premises (subject to periodic review by Shahdan) is HK$4,850.00; and (d) Government rates as per Government's assessment.
User	:	To be used as a property agency only.

Details of the Renewal Podium Roof Licence Agreement

Podium Roof	:	Portion of Podium Roof, 3/F., Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.
Term	:	Two years commencing from 16 June 2011 to 15 June 2013, both days inclusive provided that the licensee shall have the right to early terminate this license by serving six months' prior written notice to the licensor.
Licence fee and other charges	:	(a) licence fee payable on a monthly basis (exclusive of Government rates and management fee) during the term is HK$162,000.00; (b) monthly management fee (subject to the periodic review by Shahdan or its designated building manager) is HK$8,901.20; and (c) Government rates as per Government's assessment.
User	:	Restricted to legal usage only.

Details of the Renewal Fan Room Licence Agreement

Fan Room	:	Fan Room, 3/F., Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong.
Term	:	Two years commencing from 16 June 2011 to 15 June 2013, both days inclusive provided that the licensee shall have the right to early terminate this license by serving six months' prior written notice to the licensor.
Licence fee and other charges	:	(a) Licence fee payable on a monthly basis (exclusive of Government rates) during the term is HK$32,000.00; and (b) Government rates as per Government's assessment.
User	:	Restricted to legal usage only.

As HREAL is a connected person of the Company, the entering into of the Renewal Tenancy Agreement, Renewal Podium Roof Licence Agreement and Renewal Fan Room Licence Agreement constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Annual Review of Continuing Connected Transactions

The independent non-executive directors of the Company have reviewed the above-mentioned continuing connected transactions and confirmed that they have been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms; and

(iii) in accordance with the above relevant agreements which terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The auditors of the Company have reviewed the above-mentioned continuing connected transactions and confirmed in writing to the board of directors of the Company that they:

(i) have received the approval of the board of directors of the Company;

(ii) are in accordance with the pricing policies of the Group;

(iii) have been entered into in accordance with the terms of the above relevant agreements; and

(iv) have not exceeded the cap amount of such transactions for the twelve months ended 31 December 2010.

Note: Since the renewed period in the transaction described in item 12 above will start from 16 June 2011, up to 15 June 2013, cap amount review is not applicable so far as the twelve months ended 31 December 2010 is concerned.

DIRECTORS' INTERESTS IN CONTRACTS

Apart from the material interest that some of the directors held in the contracts under the paragraph of the continuing connected transactions and connected transaction, there were no contracts of significance which subsisted during or at the end of the year in which the Company or any subsidiary was a party and in which a director was interested, directly or indirectly, and the director's interest was material.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

The following directors are considered to have interests in businesses which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules:

1. Dr David Sin Wai Kin is also a director of New World Development Company Limited. The principal activities of this group include property investment, hotel management and operation and other related services.

2. Dr Lee Shau Kee, Mr Lee Ka Shing and Mr Colin Lam Ko Yin are also directors of Henderson Development and Henderson Land which, through their subsidiaries, are also engaged in the businesses of property investment, hotel management and operation and other related services.

3. Mr Eddie Lau Yum Chuen and Mr Alexander Au Siu Kee are also directors of Henderson Land which, through its subsidiaries, are also engaged in the businesses of property investment, hotel management and operation and other related services.

4. Dr Lee Shau Kee, Mr Colin Lam Ko Yin, Mr Eddie Lau Yum Chuen, Mr Norman Ho Hau Chong and Mr Alexander Au Siu Kee are also directors of Hong Kong Ferry (Holdings) Company Limited, the principal activities of this group include property investment, hotel management and operation, travel and other related services.

5. Mr Norman Ho Hau Chong is a director of CITIC Pacific Limited which, through its subsidiaries, is engaged in the business of property investment.

6. Mr Thomas Liang Cheung Biu is the Group Chief Executive of Wideland Investors Limited which, through its subsidiaries, is engaged in the ownership and management of investment properties. He is also a director of New World Development Company Limited and Milford (International) Investment Company Limited, which are also engaged in the businesses of property development, hotel, travel and food and beverages.

7. Mr Howard Yeung Ping Leung is the Chairman of King Fook Holdings Limited and also director of New World Development Company Limited, Chi Kai Company Limited, New Lee Yuen Investment Company Limited and Wui Fung Lee Investment Company Limited, which themselves or through their subsidiaries are also engaged in the like business of the Company.

8. Mr Dominic Cheng Ka On is also engaged in the business of wine selling.

As the board of directors of the Company is independent from the boards of the above-mentioned companies and none of the above directors controls the board of the Company, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of those companies.

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

During the twelve months ended 31 December 2010, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and the Group at 31 December 2010 are set out in note 22 to the financial statements.

PARTICULARS OF LOAN CAPITAL, CONVERTIBLE SECURITIES, WARRANTS OR OPTIONS ISSUED BY THE COMPANY AND ITS SUBSIDIARIES

The Company and its subsidiaries have not issued, during the twelve months ended 31 December 2010, any loan capital, convertible securities, warrants or options.

BORROWING COST CAPITALISATION

No borrowing cost was capitalised by the Company and its subsidiaries during the twelve months ended 31 December 2010 (nine months ended 31 December 2009: HK$Nil).

RETIREMENT SCHEMES

Particulars of the retirement schemes of the Group are set out in note 25 to the financial statements.

SHARE CAPITAL

Details of the share capital during the twelve months ended 31 December 2010 are set out in note 26 to the financial statements.

PUBLIC FLOAT

As at the date of this report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the directors.

RESERVES

Movements in reserves of the Group and the Company during the twelve months ended 31 December 2010 are set out in the consolidated statement of changes in equity and note 26(a) to the financial statements respectively.

GROUP'S FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 141.

GROUP PROPERTIES

Particulars of the major properties and property interests of the Group are shown on pages 142 to 144.

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 10% as at 31 December 2010 (2009 (restated): 10%).

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 December 2010, total available facilities amounted to approximately HK$1.5 billion (2009: approximately HK$1.4 billion), and 58% of that (2009: 60%) were utilised. At 31 December 2010, consolidated net borrowings were approximately HK$0.44 billion (2009: HK$0.47 billion), of which none was secured borrowings (2009: none).

EMPLOYEES

As at 31 December 2010, the Company had a total of about 1,600 full-time employees, including 1,500 employed in Hong Kong, 100 employed in the PRC and the United States of America. We recognise and reward team members' efforts and contribution made to the Company. As such, our remuneration policy is set up on the basis of team members' merit, competency and contribution towards the Company's goals. We regularly review our employees' salary and benefit by making reference to various factors like the Company's operating results, individual staff performance and comparable market statistics. Performance-base incentive and bonus schemes are also used to motivate team members to achieve individual and Company goals. Through the regular review, our employees' remuneration packages are maintaining at reasonable and competitive level in the market and equitable across different units and departments within the Company.

TRAINING & DEVELOPMENT

In order to build a "wish working culture" in the organisation, "The 7-Habits of Highly Effective People" training was extended to all managers and executives in 2010. It was further supported by the briefing and training of the "Miramar Guiding Principles" and the "MiraWay" service culture to all team members.

To ensure our service could achieve "Always exceeding expectations", "Service Excellence Training" for all service staff were delivered and "Mystery Shopper Program" for improving service quality were conducted. Results were used as benchmark for continuous improvement.

In order to cope with the business growth and development plan in 2011, "Leadership for Change" program will be offered to leaders at different levels, in order to further develop their abilities to drive changes by understanding the importance of stakeholders, and to enhance their skills in leading and motivating others through organisational change initiatives.

"Stages of Employee's Experience and Exposures" or "S.E.E." approach is the principle guidelines for our learning & development plan of 2011. Therefore, more resources will be allocated in the training and development of team members of all levels, allowing them to see their development in the organisation, vertically and horizontally, together with the business growth. We will also make use of the "Management Development Programs" to identify and develop high potential team members as future leadership roles in the organisation.

AUDIT COMMITTEE

The Audit Committee has reviewed the financial results of the Group for the twelve months ended 31 December 2010 and discussed with internal audit executive and independent auditors matters on auditing, internal control and financial reports of the Group.

AUDITORS

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company until the conclusion of the next Annual General meeting is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board
LEE SHAU KEE
Chairman

Hong Kong, 16 March 2011

Independent auditor's report to the shareholders of
Miramar Hotel and Investment Company, Limited
(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Miramar Hotel and Investment Company, Limited ("the Company") and its subsidiaries (together referred to as "the Group") set out on pages 66 to 140, which comprise the consolidated and company balance sheets as at 31 December 2010, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2010, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

Hong Kong, 16 March 2011

Consolidated Income Statement

For the twelve months ended 31 December 2010

	Note	For the twelve months ended 31 December 2010 HK$'000	For the nine months ended 31 December 2009 HK$'000 (restated)
Turnover	10	**2,112,119**	1,303,391
Cost of inventories		**(118,880)**	(73,156)
Staff costs	3(a)	**(333,493)**	(224,861)
Utilities, repairs and maintenance and rent		**(108,415)**	(74,214)
Tour and ticketing costs		**(879,016)**	(543,363)
Gross profit		**672,315**	387,797
Other revenue		**43,196**	28,446
		715,511	416,243
Operating and other expenses		**(196,255)**	(150,101)
Operating profit before depreciation and amortisation		**519,256**	266,142
Depreciation and amortisation		**(87,681)**	(44,063)
Operating profit		**431,575**	222,079
Finance costs	3(b)	**(11,784)**	(9,853)
Share of profits less losses of associates		**3,224**	(55)
		423,015	212,171
Reversal of/(provision for) properties held for resale		**20,652**	(129)
Gain/(loss) on disposal of available-for-sale investments		**16,009**	(205)
Net increase in fair value of investment properties	11(a)	**409,336**	109,186
Profit before taxation	3	**869,012**	321,023
Taxation			
– Current	4(a)	**(58,248)**	(39,518)
– Deferred	4(a)	**(5,343)**	(14,371)
Profit for the year/period		**805,421**	267,134
Attributable to:			
Shareholders of the Company	7	**784,307**	259,689
Non-controlling interests		**21,114**	7,445
		805,421	267,134
Earnings per share – basic and diluted	9	**HK$1.36**	HK$0.45

The notes on pages 74 to 140 form an integral part of these financial statements. Details of dividends payable to shareholders of the Company attributable to the profit for the year/period are set out in note 8(a).

Consolidated Statement of Comprehensive Income

For the twelve months ended 31 December 2010

	For the twelve months ended 31 December 2010 HK$'000	For the nine months ended 31 December 2009 HK$'000 (restated)
Profit for the year/period	**805,421**	267,134
Other comprehensive income for the year/period (after tax and reclassification adjustments):		
Exchange differences on translation of the financial statements of overseas subsidiaries	**29,050**	13,597
Changes in fair value of available-for-sale investments	**11,048**	7,160
Transferred to consolidated income statement on disposal of available-for-sale investments	**(16,009)**	–
	24,089	20,757
Total comprehensive income for the year/period	**829,510**	287,891
Attributable to:		
Shareholders of the Company	**802,812**	278,883
Non-controlling interests	**26,698**	9,008
Total comprehensive income for the year/period	**829,510**	287,891

The notes on pages 74 to 140 form an integral part of these financial statements.

Consolidated Balance Sheet

At 31 December 2010

	Note	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000 (restated)	At 1 April 2009 HK$'000 (restated)
Non-current assets				
Fixed assets				
– Investment properties	11(a)	**8,712,627**	8,194,426	8,075,559
– Other fixed assets	11(a)	**732,246**	728,488	465,842
		9,444,873	8,922,914	8,541,401
Interest in associates	13	**6,865**	7,495	12,042
Interest in a jointly controlled entity	14	**1,141**	–	–
Available-for-sale investments	15	**6,013**	16,716	9,868
Deferred tax assets	24(b)(iii)	**18,138**	9,896	14,455
		9,477,030	8,957,021	8,577,766
Current assets				
Properties under development for sale	16	**241,933**	241,180	242,253
Inventories	17	**160,358**	132,996	125,395
Trade and other receivables	18	**208,351**	149,826	119,529
Cash and bank balances	19	**479,985**	427,714	384,571
Tax recoverable	24(a)	**2,045**	2,930	22,477
		1,092,672	954,646	894,225
Current liabilities				
Trade and other payables	20	**(417,191)**	(440,124)	(332,385)
Interest-bearing borrowings	22	**(214,911)**	(299,919)	(201,906)
Sales and rental deposits received		**(116,408)**	(79,935)	(104,518)
Tax payable	24(a)	**(17,160)**	(56,395)	(30,058)
Dividend payable	8(a)	**–**	(75,040)	–
		(765,670)	(951,413)	(668,867)
Net current assets		**327,002**	3,233	225,358
Total assets less current liabilities carried forward		**9,804,032**	8,960,254	8,803,124

	Note	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000 (restated)	At 1 April 2009 HK$'000 (restated)
Total assets less current liabilities brought forward		**9,804,032**	8,960,254	8,803,124
Non-current liabilities				
Interest-bearing borrowings	22	**(647,492)**	(541,911)	(515,315)
Deferred liabilities	23	**(86,627)**	(95,327)	(88,916)
Amounts due to holders of non-controlling interests of a subsidiary	21	**(54,040)**	–	–
Deferred tax liabilities	24(b)(iii)	**(150,918)**	(134,733)	(123,771)
		(939,077)	(771,971)	(728,002)
NET ASSETS		**8,864,955**	8,188,283	8,075,122
CAPITAL AND RESERVES				
Share capital	26(b)	**404,062**	404,062	404,062
Reserves		**8,356,882**	7,698,223	7,592,509
Total equity attributable to shareholders of the Company		**8,760,944**	8,102,285	7,996,571
Non-controlling interests		**104,011**	85,998	78,551
TOTAL EQUITY		**8,864,955**	8,188,283	8,075,122

Approved and authorised for issue by the board of directors on 16 March 2011.

LEE SHAU KEE
Chairman

LEE KA SHING
Managing Director

The notes on pages 74 to 140 form an integral part of these financial statements.

Balance Sheet

At 31 December 2010

	Note	At 31 December 2010 HK$'000	At 31 December 2009 HK$'000 (restated)	At 1 April 2009 HK$'000 (restated)
Non-current assets				
Fixed assets				
– Investment properties	11(b)	**185,969**	157,858	145,043
– Other fixed assets	11(b)	**20,588**	22,447	22,703
		206,557	180,305	167,746
Interest in subsidiaries	12	**3,863,622**	3,934,431	3,746,222
Interest in associates	13	**353**	258	516
Available-for-sale investments	15	**–**	11,780	5,741
		4,070,532	4,126,774	3,920,225
Current assets				
Inventories	17	**3,275**	4,308	3,023
Trade and other receivables	18	**15,131**	14,868	11,404
Cash and bank balances	19	**16,840**	33,577	9,360
Tax recoverable	24(a)	**–**	311	5,998
		35,246	53,064	29,785
Current liabilities				
Trade and other payables	20	**(68,332)**	(77,643)	(47,935)
Interest-bearing borrowings	22	**–**	(299,919)	–
Deposits received		**(1,674)**	(2,214)	(1,939)
Tax payable	24(a)	**(315)**	–	–
Dividend payable	8(a)	**–**	(75,040)	–
		(70,321)	(454,816)	(49,874)
Net current liabilities		**(35,075)**	(401,752)	(20,089)
Total assets less current liabilities		**4,035,457**	3,725,022	3,900,136
Non-current liabilities				
Amounts due to subsidiaries	12	**(1,254,307)**	(1,247,360)	(1,234,844)
Interest-bearing borrowings	22	**(249,192)**	–	(197,842)
Deferred liabilities	23	**(2,125)**	(1,205)	(1,657)
Deferred tax liabilities	24(b)(iii)	**(7,106)**	(6,783)	(6,112)
		(1,512,730)	(1,255,348)	(1,440,455)
NET ASSETS		**2,522,727**	2,469,674	2,459,681
CAPITAL AND RESERVES				
Share capital		**404,062**	404,062	404,062
Reserves		**2,118,665**	2,065,612	2,055,619
TOTAL EQUITY	26(a)	**2,522,727**	2,469,674	2,459,681

Approved and authorised for issue by the board of directors on 16 March 2011.

LEE SHAU KEE
Chairman

LEE KA SHING
Managing Director

The notes on pages 74 to 140 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the twelve months ended 31 December 2010

		Attributable to shareholders of the Company									
	Note	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	Exchange reserve HK$'000	General reserve HK$'000	Investment revaluation reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2009		404,062	287,628	(91,086)	64,441	304,827	1,250	6,032,298	7,003,420	78,423	7,081,843
Impact of change in accounting policy	2	–	–	–	–	–	–	993,151	993,151	128	993,279
At 1 April 2009 (restated)		404,062	287,628	(91,086)	64,441	304,827	1,250	7,025,449	7,996,571	78,551	8,075,122
Changes in equity for the nine months ended 31 December 2009:											
Profit for the period		–	–	–	–	–	–	259,689	259,689	7,445	267,134
Other comprehensive income		–	–	–	12,034	–	7,160	–	19,194	1,563	20,757
Total comprehensive income		–	–	–	12,034	–	7,160	259,689	278,883	9,008	287,891
Final dividends approved in respect of the previous year	8(b)	–	–	–	–	–	–	(98,129)	(98,129)	–	(98,129)
Interim dividends declared in respect of the current period	8(a)	–	–	–	–	–	–	(75,040)	(75,040)	–	(75,040)
Dividends paid to non-controlling interests		–	–	–	–	–	–	–	–	(1,561)	(1,561)
At 31 December 2009 (restated)		404,062	287,628	(91,086)	76,475	304,827	8,410	7,111,969	8,102,285	85,998	8,188,283
At 1 January 2010 (restated)		**404,062**	**287,628**	**(91,086)**	**76,475**	**304,827**	**8,410**	**7,111,969**	**8,102,285**	**85,998**	**8,188,283**
Changes in equity for the twelve months ended 31 December 2010:											
Profit for the year		**–**	**–**	**–**	**–**	**–**	**–**	**784,307**	**784,307**	**21,114**	**805,421**
Other comprehensive income		**–**	**–**	**–**	**23,466**	**–**	**(4,961)**	**–**	**18,505**	**5,584**	**24,089**
Total comprehensive income		**–**	**–**	**–**	**23,466**	**–**	**(4,961)**	**784,307**	**802,812**	**26,698**	**829,510**
Final dividends approved in respect of the previous period	8(b)	**–**	**–**	**–**	**–**	**–**	**–**	**(57,723)**	**(57,723)**	**–**	**(57,723)**
Interim dividends declared in respect of the current year	8(a)	**–**	**–**	**–**	**–**	**–**	**–**	**(86,585)**	**(86,585)**	**–**	**(86,585)**
Liquidation of subsidiaries		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(2,685)**	**(2,685)**
Increase in non-controlling interests attributable to a decrease in shareholding of a subsidiary		**–**	**–**	**–**	**–**	**–**	**–**	**155**	**155**	**(155)**	**–**
Dividends paid to non-controlling interests		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(5,845)**	**(5,845)**
At 31 December 2010		**404,062**	**287,628**	**(91,086)**	**99,941**	**304,827**	**3,449**	**7,752,123**	**8,760,944**	**104,011**	**8,864,955**

The notes on pages 74 to 140 form an integral part of these financial statements.

Consolidated Cash Flow Statement

For the twelve months ended 31 December 2010

	Note	**For the twelve months ended 31 December 2010 HK$'000**	For the nine months ended 31 December 2009 HK$'000
Operating activities			
Profit before taxation		**869,012**	321,023
Adjustments for:			
Bank interest income		**(4,075)**	(1,921)
Net loss on disposal of other fixed assets		**1,507**	6,087
Depreciation and amortisation		**87,681**	44,063
Finance costs		**11,784**	9,853
Share of profits less losses of associates		**(3,224)**	55
(Reversal of)/provision for properties held for resale		**(20,652)**	129
(Gain)/loss disposal of available-for-sale investments		**(16,009)**	205
Net increase in fair value of investment properties		**(409,336)**	(109,186)
Gain on disposal of an associate		**(312)**	–
Exchange differences		**(1,245)**	(2,423)
Operating profit before changes in working capital		**515,131**	267,885
Decrease in properties under development for sale		**117**	1,699
Increase in inventories		**(1,108)**	(5,222)
Increase in trade and other receivables		**(59,335)**	(30,302)
Decrease in amounts due from associates		**1,661**	4,184
Increase in amount due to an associate		**4,428**	–
Increase in trade and other payables		**6,909**	57,390
Increase/(decrease) in sales and rental deposits received		**36,473**	(24,583)
(Decrease)/increase in deferred liabilities		**(8,700)**	6,411
Cash generated from operations carried forward		**495,576**	277,462
Bank interest received		**4,076**	1,927
Interest and other borrowing costs paid		**(12,867)**	(11,484)
Dividends paid		**(219,348)**	(98,129)
Dividends paid to non-controlling interests		**(5,845)**	(1,561)
Dividends received from associates		**2,305**	308
Tax paid			
– Hong Kong Profits Tax paid		**(89,196)**	(11,848)
– Hong Kong Profits Tax refunded		**13**	20,858
– Overseas tax paid		**(7,415)**	(2,644)
Net cash generated from operating activities		**167,299**	174,889

	Note	For the twelve months ended 31 December 2010 HK$'000	For the nine months ended 31 December 2009 HK$'000
Investing activities			
Payment for purchase of investment properties		**(67,879)**	–
Payment for purchase of other fixed assets		**(88,180)**	(264,996)
Payment for investment in a jointly controlled entity		**(1,141)**	–
Proceeds from disposal of available-for-sale investments		**21,751**	107
Proceeds from disposal of other fixed assets		**275**	464
Proceeds from disposal of an associate		**200**	–
Decrease/(increase) in time deposits with maturity more than three months		**20,701**	(58,848)
Net cash used in investing activities		**(114,273)**	(323,273)
Financing activities			
Proceeds from new bank loans		**3,313,000**	831,000
Repayment of bank loans		**(3,291,000)**	(706,000)
(Repayment)/drawdown of advances from holders of non-controlling interests of subsidiaries		**(6,923)**	3,404
Net cash generated from financing activities		**15,077**	128,404
Net increase/(decrease) in cash and cash equivalents		**68,103**	(19,980)
Cash and cash equivalents at 1 January 2010/1 April 2009		**368,866**	384,571
Effect of foreign exchange rate changes		**4,869**	4,275
Cash and cash equivalents at 31 December		**441,838**	368,866
Analysis of the balances of cash and cash equivalents at 31 December			
Cash and bank balances	19	**479,985**	427,714
Less: Time deposits with maturity more than three months		**(38,147)**	(58,848)
		441,838	368,866

The notes on pages 74 to 140 form an integral part of these financial statements.

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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. A summary of the significant accounting policies adopted by the Group is set out below.

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 and the Company. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The Company changed its financial year end date from 31 March to 31 December in last financial period. Accordingly, the financial period under review covers a period of twelve months from 1 January 2010 to 31 December 2010. The comparative figures (which cover a period of nine months from 1 April 2009 to 31 December 2009) for the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and related notes are therefore not entirely comparable with those of the current year.

The consolidated financial statements for the twelve months ended 31 December 2010 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and a jointly controlled entity.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

– investment property (see note 1(g)); and

– financial instruments classified as available-for-sale investments (see note 1(f)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(b) Basis of preparation of the financial statements *(continued)*

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 34.

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests (previously known as "minority interests") represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated balance sheet in accordance with notes 1(m) or (n) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(f)) or, when appropriate, the cost on initial recognition of an investment in an associate or jointly controlled entity (see note 1(d)).

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 1(j)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

1 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(d) Associates and jointly controlled entities

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A jointly controlled entity is an entity which operates under a contractual arrangement between the Group or Company and other parties, where the contractual arrangement establishes that the Group or Company and one or more of the other parties share joint control over the economic activity of the entity.

An investment in an associate or a jointly controlled entity is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 1(e) and (j)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the jointly controlled entity, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the jointly controlled entity.

Unrealised profits and losses resulting from transactions between the Group and its associates and jointly controlled entities are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

When the Group ceases to have significant influence over an associate or joint control over a jointly controlled entity, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(f)) or, when appropriate, the cost on initial recognition of an investment in an associate (see note 1(d)).

In the Company's balance sheet, investments in associates and jointly controlled entities are stated at cost less impairment losses (see note 1(j)), unless classified as held for sale (or included in a disposal group that is classified as held for sale).

1 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(e) Goodwill

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(j)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(f) Other investments in equity securities

The Group's and the Company's policies for investments in equity securities, other than investments in subsidiaries, associates and jointly controlled entities, are as follows:

Investments in equity securities are initially stated at fair value, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the balance sheet at cost less impairment losses (see note 1(j)).

Investments in equity securities which do not fall into the above category are classified as available-for-sale investments. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. Dividend income from these investments is recognised in profit or loss in accordance with the policy set out in note 1(s)(iv) and, where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss in accordance with the policy set out in note 1(s)(v). When these investments are derecognised or impaired (see note 1(j)), the cumulative gain or loss is reclassified from equity to profit or loss.

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

1 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(g) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 1(i)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the balance sheet date and their fair value cannot be reliably determined at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 1(s)(i).

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see note 1(i)), and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 1(i).

(h) Other fixed assets

The following items of other fixed assets are stated at cost less accumulated depreciation and impairment losses (see note 1(j)):

– buildings held for own use which are situated on leasehold land classified as held under operating leases (see note 1(i));

– hotel property; and

– machinery, furniture, fixtures and equipment.

Gains or losses arising from the retirement or disposal of an item of other fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of other fixed assets, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

– leasehold land is depreciated over the remaining term of the lease;

– buildings including hotel property situated on leasehold land are depreciated over the unexpired term of the lease; and

– machinery, furniture, fixtures and equipment 4 – 10 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

1 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(i) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

– property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (see note 1(g)); and

– land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) Assets held for use in operating leases

When the Group leases out assets under operating leases, the assets are included in the balance sheet according to their nature. Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies as set out in note 1(s)(i).

(iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 1(g)) or is held for development for sale (see note 1(k)(ii)).

1 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(j) Impairment of assets

(i) Impairment of investments in equity securities and other receivables

Investments in equity securities (other than investments in subsidiaries (see note 1(j)(ii))), and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale investments are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investments in associates and jointly controlled entities recognised using the equity method (see note 1(d)), the impairment loss is measured by comparing the recoverable amount of the investment as a whole with its carrying amount in accordance with note 1(j)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 1(j)(ii).
- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.

1 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(j) Impairment of assets *(continued)*

(i) Impairment of investments in equity securities and other receivables (continued)

– For trade and other receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

  If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

– For available-for-sale investments, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

  Impairment losses recognised in profit or loss in respect of available-for-sale investments are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

1 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(j) Impairment of assets *(continued)*

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

– fixed assets;

– investments in subsidiaries (except for those classified as held for sale (or included in a disposal group that is classified as held for sale)); and

– goodwill.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– Calculation of recoverable amount
The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses
An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

– Reversals of impairment losses
In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

1 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(j) Impairment of assets *(continued)*

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(j)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

(k) Inventories

(i) Consumable stores

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in-first-out formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(k) Inventories *(continued)*

(ii) Property development

Inventories in respect of property development activities are carried at the lower of cost and net realisable value. Cost and net realisable values are determined as follows:

– Properties under development for sale
  The cost of properties under development for sale comprises specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised (see note 1(u)). Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

– Properties held for resale
  In the case of properties developed by the Group, cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

  The cost of properties held for resale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

(l) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts (see note 1(j)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(m) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(n) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 1(r)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

1 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(p) Employee benefits

Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(q) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

1 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(q) Income tax *(continued)*

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in note 1(g), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the balance sheet date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

– in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

    – the same taxable entity; or

    – different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

1 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(r) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 1(r)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

1 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(s) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(ii) Revenue arising from the sale of properties held for resale is recognised upon the later of the signing of the sale and purchase agreement and the issue of an occupation permit by the relevant government authorities, which is taken to be the point in time when the risks and rewards of ownership of the property have passed to the buyer. Revenue arising from properties under development is recognised upon the transfer of legal titles. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the balance sheet under sales deposits and instalments received.

(iii) Income from hotel, food and beverage, travel operations and management services is recognised when the relevant services are provided.

(iv) Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established. Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(v) Interest income is recognised as it accrues using the effective interest method.

(t) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Balance sheet items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the closing foreign exchange rates at the balance sheet date. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

1 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(t) Translation of foreign currencies *(continued)*

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(u) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(v) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

(i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

(ii) the Group and the party are subject to common control;

(iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;

(iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influences of such individuals; or

(vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

1 SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued two revised HKFRS, a number of amendments to HKFRSs and two new Interpretations 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:

– HKFRS 3 (revised 2008), *Business combinations*

– Amendments to HKAS 27, *Consolidated and separate financial statements*

– Improvements to HKFRSs (2009)

– HK (Int) 5, *Presentation of financial statements – classification by the borrower of a term loan that contains a repayment on demand clause*

The Group and the Company have not applied any new standard or interpretation that is not yet effective for the current accounting period, with the exception of the amendments to HKAS 12, *Income taxes*, in respect of the recognition of deferred tax on investment properties carried at fair value under HKAS 40, *Investment property*. The amendments are effective for annual periods beginning on or after 1 January 2012, but as permitted by the amendments, the Group and the Company have decided to adopt the amendments early.

2 CHANGES IN ACCOUNTING POLICIES *(CONTINUED)*

Early adoption of the amendments to HKAS 12, Income taxes

The change in policy arising from the amendments to HKAS 12 is the only change which has had a material impact on the current or comparative periods. As a result of this change in policy, the Group and the Company now measures any deferred tax liability in respect of its investment properties with reference to the tax liability that would arise if the properties were disposed of at their carrying amounts at the balance sheet date, unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Previously, where these properties were held under leasehold interests, deferred tax was generally measured using the tax rate that would apply as a result of recovery of the asset's value through use.

This change in policy has been applied retrospectively by restating the opening balances at 1 April 2009 and 1 January 2010, with consequential adjustments to comparatives for the nine months ended 31 December 2009. This has resulted in a reduction in the amount of deferred tax provided on valuation gain in respect of certain investment properties of the Group. The effects are shown as follows:

	The Group			The Company		
	As previously reported HK$'000	Effect of adoption of amendments to HKAS 12 HK$'000	As restated HK$'000	As previously reported HK$'000	Effect of adoption of amendments to HKAS 12 HK$'000	As restated HK$'000
Income statement for the nine months ended 31 December 2009:						
Deferred tax	31,449	(17,078)	14,371	2,785	(2,114)	671
Profit for the period	250,056	17,078	267,134	175,009	2,114	177,123
Profit attributable to:						
– Shareholders of the Company	242,621	17,068	259,689	175,009	2,114	177,123
– Non-controlling interests	7,435	10	7,445	–	–	–
Earnings per share – basic and diluted	HK$0.42	HK$0.03	HK$0.45	–	–	–
Balance sheet at 31 December 2009:						
Deferred tax liabilities	1,145,090	(1,010,357)	134,733	19,770	(12,987)	6,783
Retained profits	6,101,750	1,010,219	7,111,969	439,084	12,987	452,071
Non-controlling interests	85,860	138	85,998	–	–	–
Balance sheet at 1 April 2009:						
Deferred tax liabilities	1,117,050	(993,279)	123,771	16,985	(10,873)	6,112
Retained profits	6,032,298	993,151	7,025,449	437,244	10,873	448,117
Non-controlling interests	78,423	128	78,551	–	–	–

2 CHANGES IN ACCOUNTING POLICIES *(CONTINUED)*

Other changes in accounting policies as a result of developments in HKFRSs

The issuance of HK (Int) 5 has had no material impact on the Group's financial statements as the Interpretation's conclusion was consistent with policies already adopted by the Group. The other developments resulted in changes in accounting policy but none of these changes in policy have a material impact on the current or comparative periods, for the following reasons:

– The impact of the majority of the revisions to HKFRS 3 and HKAS 27 have not yet had a material effect on the Group's financial statements as these changes will first be effective as and when the Group enters into a relevant transaction (for example, a business combination or a disposal of a subsidiary) and there is no requirement to restate the amounts recorded in respect of previous such transactions.

– The impact of the amendments to HKFRS 3 (in respect of recognition of acquiree's deferred tax assets) and HKAS 27 (in respect of allocation of losses to non-controlling interests (previously known as "minority interests") in excess of their equity interest) have had no material impact as there is no requirement to restate amounts recorded in previous periods and no such deferred tax assets or losses arose in the current year.

– The amendment introduced by the *Improvements to HKFRSs (2009)* omnibus standard in respect of HKAS 17, *Leases*, resulted in a change of classification of certain of the Group's leasehold land interests located in the Hong Kong Special Administrative Region, but this had no material impact on the amounts recognised in respect of these leases as the lease premiums in respect of all such leases are fully paid and are being amortised over the remaining length of the lease term.

Further details of these changes in accounting policy are as follows:

– As a result of the adoption of HKFRS 3 (revised 2008), any business combination acquired on or after 1 January 2010 will be recognised in accordance with the new requirements and detailed guidance contained in HKFRS 3 (revised 2008). These include the following changes in accounting policies:

  – Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees, will be expensed as incurred, whereas previously they were accounted for as part of the cost of the business combination and therefore impacted the amount of goodwill recognised.

  – If the Group holds interests in the acquiree immediately prior to obtaining control, these interests will be treated as if disposed of and re-acquired at fair value on the date of obtaining control. Previously, the step-up approach would have been applied, whereby goodwill was computed as if accumulated at each stage of the acquisition.

  – Contingent consideration will be measured at fair value at the acquisition date. Subsequent changes in the measurement of that contingent consideration unrelated to facts and circumstances that existed at the acquisition date will be recognised in profit or loss, whereas previously these changes were recognised as an adjustment to the cost of the business combination and therefore impacted the amount of goodwill recognised.

2 CHANGES IN ACCOUNTING POLICIES *(CONTINUED)*

Other changes in accounting policies as a result of developments in HKFRSs *(continued)*

- If the acquiree has accumulated tax losses or other temporary deductible differences and these fail to meet the recognition criteria for deferred tax assets at the date of acquisition, then any subsequent recognition of these assets will be recognised in profit or loss, rather than as an adjustment to goodwill as was previously the policy.

- In addition to the Group's existing policy of measuring the non-controlling interests in the acquiree at the non-controlling interest's proportionate share of the acquiree's net identifiable assets, in future the Group may elect, on a transaction by transaction basis, to measure the non-controlling interest at fair value.

In accordance with the transitional provisions in HKFRS 3 (revised 2008), these new accounting policies will be applied prospectively to any business combinations in the current or future periods. The new policy in respect of recognition in the movement of deferred tax assets will also be applied prospectively to accumulated tax losses and other temporary deductible differences acquired in previous business combinations. No adjustments have been made to the carrying values of assets and liabilities that arose from business combinations whose acquisition dates preceded the application of this revised standard.

- As a result of the adoption of HKAS 27 (amended 2008), the following changes in policies will be applied as from 1 January 2010:

  - If the Group acquires an additional interest in a non-wholly owned subsidiary, the transaction will be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no goodwill will be recognised as a result of such transactions. Similarly, if the Group disposes of part of its interest in a subsidiary but still retains control, this transaction will also be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no profit or loss will be recognised as a result of such transactions. Previously the Group treated such transactions as step-up transactions and partial disposals, respectively.

  - If the Group loses control of a subsidiary, the transaction will be accounted for as a disposal of the entire interest in that subsidiary, with any remaining interest retained by the Group being recognised at fair value as if reacquired.

  In accordance with the transitional provisions in HKAS 27, these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

2 CHANGES IN ACCOUNTING POLICIES *(CONTINUED)*

Other changes in accounting policies as a result of developments in HKFRSs *(continued)*

– In order to be consistent with the above amendments to HKFRS 3 and HKAS 27, and as a result of amendments to HKAS 28, *Investments in associates*, and HKAS 31, *Interests in joint ventures*, the following policies will be applied as from 1 January 2010:

  – If the Group holds interests in the acquiree immediately prior to obtaining significant influence or joint control, these interests will be treated as if disposed of and re-acquired at fair value on the date of obtaining significant influence or joint control. Previously, the step-up approach would have been applied, whereby goodwill was computed as if accumulated at each stage of the acquisition.

  – If the Group loses significant influence or joint control, the transaction will be accounted for as a disposal of the entire interest in that investee, with any remaining interest being recognised at fair value as if reacquired. Previously such transactions were treated as partial disposals.

  Consistent with the transitional provisions in HKFRS 3 and HKAS 27, these new accounting policies will be applied prospectively to transactions in current or future periods and therefore previous periods have not been restated.

Other changes in accounting policies which are relevant to the Group's financial statements are as follows:

– As a result of the amendments to HKAS 27, as from 1 January 2010 any losses incurred by a non-wholly owned subsidiary will be allocated between the controlling and non-controlling interests in proportion to their interests in that entity, even if this results in a deficit balance within consolidated equity being attributed to the non-controlling interests. Previously, if the allocation of losses to the non-controlling interests would have resulted in a deficit balance, the losses were only allocated to the non-controlling interests if the non-controlling interests were under a binding obligation to make good the losses. In accordance with the transitional provisions in HKAS 27, this new accounting policy is being, applied prospectively and therefore previous periods have not been restated.

– As a result of the amendment to HKAS 17, *Leases*, arising from the "*Improvements to HKFRSs (2009)*" omnibus standard, the Group has re-evaluated the classification of its interests in leasehold land as to whether, in the Group's judgement, the lease transfers significantly all the risks and rewards of ownership of the land such that the Group is in a position economically similar to that of a purchaser. The Group has concluded that the classification of such leases as operating leases continues to be appropriate, with the exception of those interests which are registered and transferable ownership interests in land located in the Hong Kong Special Administrative Region and subject to the Government's land policy of renewal without payment of additional land premium. These leasehold interests will no longer be classified by the Group as operating leases as the Group considers that it is in a position economically similar to that of a purchaser. This change in accounting policy has no material impact on the current or previous periods as the lease premiums in respect of all such leases are fully paid and are being amortised over the remaining length of the lease term.

2 CHANGES IN ACCOUNTING POLICIES *(CONTINUED)*

Other changes in accounting policies as a result of developments in HKFRSs *(continued)*

– As a result of the amendment to HKFRS 8, *Operating segments*, arising from the "*Improvements to HKFRSs (2009)*" omnibus standard, it clarified that segment assets should only be disclosed if that amounts are regularly provided to the most senior executive management. Accordingly, no information on segment assets is disclosed in the current year financial statements as the Group does not provide such information to its most senior executive management.

3 PROFIT BEFORE TAXATION

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

	For the twelve months ended 31 December 2010 HK$'000	For the nine months ended 31 December 2009 HK$'000
(a) Staff costs		
Contributions to defined contribution plan	**13,479**	8,749
Salaries, wages and other benefits	**320,014**	216,112
	333,493	224,861
(b) Finance costs		
Interest on bank advances and other borrowings repayable within five years	**9,948**	8,949
Other borrowing costs	**1,836**	904
	11,784	9,853
(c) Others		
Auditors' remuneration	**3,887**	3,540
Net foreign exchange (gain)/loss	**(1,062)**	796
Net loss on disposal of other fixed assets	**1,507**	6,087
Rentals receivable from investment properties less direct outgoings of HK$44,770,000 (nine months ended 31 December 2009: HK$34,387,000)	**(436,463)**	(329,675)
Operating lease charges: minimum lease payments – property rentals	**33,108**	22,217
Dividend income from listed securities	**(287)**	(257)
Bank interest income	**(4,075)**	(1,921)
Gain on disposal of an associate	**(312)**	–

4 TAXATION IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

	For the twelve months ended 31 December 2010 HK$'000	For the nine months ended 31 December 2009 HK$'000 (restated)
Current tax – Hong Kong Profits Tax		
Provision for the year/period	**49,850**	39,324
Under-provision in respect of prior years	**149**	31
	49,999	39,355
Current tax – Overseas		
Provision for the year/period	**6,662**	1,177
Under/(over)-provision in respect of prior years	**1,587**	(1,014)
	8,249	163
Deferred tax		
Change in fair value of investment properties	**2,591**	1,011
Origination and reversal of temporary differences	**2,752**	13,360
	5,343	14,371
	63,591	53,889

Provision for Hong Kong Profits Tax is calculated at 16.5% (nine months ended 31 December 2009: 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 twelve months ended 31 December 2010 of HK$142,000 (nine months ended 31 December 2009: HK$105,000) is included in the share of profits less losses of associates.

4 TAXATION IN THE CONSOLIDATED INCOME STATEMENT *(CONTINUED)*

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	For the twelve months ended 31 December 2010 HK$'000	For the nine months ended 31 December 2009 HK$'000 (restated)
Profit before taxation	**869,012**	321,023
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	**138,674**	50,098
Tax effect of non-deductible expenses	**4,844**	4,183
Tax effect of non-taxable income	**(78,635)**	(18,178)
Tax effect of unused tax losses not recognised in the year/period	**523**	21,051
Tax effect of tax losses not recognised in prior years utilised this year/period	**(3,551)**	(2,282)
Under/(over)-provision in prior years	**1,736**	(983)
Actual tax expense	**63,591**	53,889

5 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

	For the twelve months ended 31 December 2010				
	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Discretionary bonuses HK$'000	Retirement scheme contributions HK$'000	Total HK$'000
Board of directors					
Dr Lee Shau Kee	50	50	–	–	100
Mr Lee Ka Shing	50	–	–	–	50
Dr Patrick Fung Yuk Bun	50	150	–	–	200
Mr Dominic Cheng Ka On	50	150	–	–	200
Mr Richard Tang Yat Sun	50	50	–	–	100
Mr Colin Lam Ko Yin	50	–	–	–	50
Mr Eddie Lau Yum Chuen	50	–	–	–	50
Mr Tony Ng	50	–	–	–	50
Mr Norman Ho Hau Chong	50	–	–	–	50
Mr Howard Yeung Ping Leung	50	–	–	–	50
Mr Thomas Liang Cheung Biu	50	–	–	–	50
Mr Alexander Au Siu Kee	50	–	–	–	50
Independent non-executive directors					
Dr David Sin Wai Kin	50	200	–	–	250
Mr Wu King Cheong	50	200	–	–	250
Dr Timpson Chung Shui Ming	50	200	–	–	250
	750	1,000	–	–	1,750

5 DIRECTORS' REMUNERATION *(CONTINUED)*

	For the nine months ended 31 December 2009				
	Directors' fees HK$'000	Salaries, allowances and benefits in kind HK$'000	Discretionary bonuses HK$'000	Retirement scheme contributions HK$'000	Total HK$'000
Board of directors					
Dr Lee Shau Kee	38	37	–	–	75
Mr Woo Kim Phoe#	13	–	–	–	13
Mr Lee Ka Shing	38	–	–	–	38
Dr Patrick Fung Yuk Bun	38	112	–	–	150
Mr Dominic Cheng Ka On	38	112	–	–	150
Mr Richard Tang Yat Sun	38	37	–	–	75
Mr Colin Lam Ko Yin	38	–	–	–	38
Mr Eddie Lau Yum Chuen	38	–	–	–	38
Mr Tony Ng	38	–	–	–	38
Mr Norman Ho Hau Chong	38	–	–	–	38
Mr Howard Yeung Ping Leung	38	–	–	–	38
Mr Thomas Liang Cheung Biu	38	–	–	–	38
Mr Alexander Au Siu Kee	38	–	–	–	38
Independent non-executive directors					
Dr David Sin Wai Kin	38	150	–	–	188
Mr Wu King Cheong	38	150	–	–	188
Dr Timpson Chung Shui Ming	38	150	–	–	188
	583	748	–	–	1,331

\# Mr Woo Kim Phoe deceased on 6 July 2009.

6 INDIVIDUALS WITH THE HIGHEST EMOLUMENTS

No directors of the Company was included in the five individuals with the highest emoluments (nine months ended 31 December 2009: Nil). Details of directors' emolument are disclosed in note 5. The aggregate of the emoluments in respect of the five (nine months ended 31 December 2009: five) individuals is as follows:

	For the twelve months ended 31 December 2010 HK$'000	For the nine months ended 31 December 2009 HK$'000
Salaries, allowances and benefits in kind	**9,560**	7,076
Discretionary bonuses	**1,504**	–
Retirement scheme contributions	**412**	255
	11,476	7,331

The emoluments of the five (nine months ended 31 December 2009: five) individuals with the highest emoluments are within the following bands:

	Number of individuals	
	For the twelve months ended 31 December 2010 HK$'000	For the nine months ended 31 December 2009 HK$'000
HK$0 – HK$1,000,000	**–**	1
HK$1,000,001 – HK$1,500,000	**–**	3
HK$1,500,001 – HK$2,000,000	**4**	–
HK$2,000,001 – HK$2,500,000	**–**	–
HK$2,500,001 – HK$3,000,000	**–**	1
HK$3,000,001 – HK$3,500,000	**–**	–
HK$3,500,001 – HK$4,000,000	**–**	–
HK$4,000,001 – HK$4,500,000	**–**	–
HK$4,500,001 – HK$5,000,000	**1**	–
	5	5

7 PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to shareholders of the Company includes a profit of HK$203,400,000 (nine months ended 31 December 2009 (restated): HK$177,123,000) which has been dealt with in the financial statements of the Company.

8 DIVIDENDS

(a) Dividends attributable to the year/period

	For the twelve months ended 31 December 2010 HK$'000	For the nine months ended 31 December 2009 HK$'000
Interim dividend declared and paid of 15 Hong Kong cents per share (nine months ended 31 December 2009: 13 Hong Kong cents per share)	**86,585**	75,040
Final dividend proposed after the balance sheet date of 22 Hong Kong cents per share (nine months ended 31 December 2009: 10 Hong Kong cents per share)	**126,991**	57,723
	213,576	132,763

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

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

	For the twelve months ended 31 December 2010 HK$'000	For the nine months ended 31 December 2009 HK$'000
Final dividend in respect of the previous financial year, approved and paid during the year/period, of 10 Hong Kong cents per share (nine months ended 31 December 2009: 17 Hong Kong cents per share)	**57,723**	98,129

9 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$784,307,000 (nine months ended 31 December 2009 (restated): HK$259,689,000) and 577,231,252 shares (nine months ended 31 December 2009: 577,231,252 shares) in issue during the year/period.

There were no potential dilutive ordinary shares in existence during the twelve months ended 31 December 2010 and nine months ended 31 December 2009, and hence diluted earnings per share is the same as the basic earnings per share.

10 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 five reportable segments. No operating segments have been aggregated to form the following reportable segments.

Property investment	:	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 ownership and management	:	The operating of hotel and provision of hotel management services
Food and beverage operation	:	The operation of restaurants
Travel operation	:	The operation of travel agency services

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

(a) Segment results

Revenue and expense are allocated to the reportable segments with reference to sales generated by those segments and the expenses 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, other non-operating items and other corporate expenses.

10 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 twelve months ended 31 December 2010 and nine months ended 31 December 2009 is set out below.

	For the twelve months ended 31 December 2010					
	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$'000	Total HK$'000
Revenue from external customers	481,233	3,383	442,129	201,911	983,463	2,112,119
Inter-segment revenue	–	–	2,031	5,100	–	7,131
Reportable segment revenue	481,233	3,383	444,160	207,011	983,463	2,119,250
Elimination of inter-segment revenue						(7,131)
Consolidated turnover						2,112,119
Reportable segment results (adjusted EBITDA)	410,018	(13,475)	143,500	18,287	33,515	591,845
Unallocated corporate expenses						(160,270)
						431,575
Finance costs						(11,784)
Share of profits less losses of associates						3,224
Reversal of provision for properties held for resale						20,652
Gain on disposal of available-for-sale investments						16,009
Net increase in fair value of investment properties	409,336	–	–	–	–	409,336
Consolidated profit before taxation						869,012

10 SEGMENT REPORTING *(CONTINUED)*

(a) Segment results *(continued)*

	For the nine months ended 31 December 2009					
	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$'000	Total HK$'000
Revenue from external customers	364,062	–	210,344	124,130	604,855	1,303,391
Inter-segment revenue	–	–	1,532	3,233	–	4,765
Reportable segment revenue	364,062	–	211,876	127,363	604,855	1,308,156
Elimination of inter-segment revenue						(4,765)
Consolidated turnover						1,303,391
Reportable segment results (adjusted EBITDA)	310,073	(13,330)	28,717	(2,407)	15,746	338,799
Unallocated corporate expenses						(116,720)
						222,079
Finance costs						(9,853)
Share of profits less losses of associates						(55)
Provision for properties held for resale						(129)
Loss on disposal of available-for-sale investments						(205)
Net increase in fair value of investment properties	109,186	–	–	–	–	109,186
Consolidated profit before taxation						321,023

10 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 jointly controlled entity, the location of operations.

	Revenue from external customers		**Non-current assets**	
	For the twelve months ended 31 December 2010 HK$'000	For the nine months ended 31 December 2009 HK$'000	**2010 HK$'000**	2009 HK$'000
The Hong Kong Special Administrative Region	**2,056,884**	1,267,694	**8,870,784**	8,444,020
The People's Republic of China	**55,235**	35,697	**582,095**	486,389
	2,112,119	1,303,391	**9,452,879**	8,930,409

11 FIXED ASSETS

(a) The Group

		Other fixed assets				
	Investment properties HK$'000	Hotel HK$'000	Leasehold land and buildings held for own use HK$'000	Others* HK$'000	Sub-total HK$'000	Total HK$'000
Cost or valuation:						
At 1 January 2010	8,194,426	131,122	18,865	1,234,284	1,384,271	9,578,697
Additions	68,522	–	–	112,010	112,010	180,532
Disposals	–	–	–	(16,443)	(16,443)	(16,443)
Reclassification	18,854	9,099	–	(27,953)	(18,854)	–
Exchange adjustments	21,489	–	–	1,976	1,976	23,465
Surplus on revaluation	409,336	–	–	–	–	409,336
At 31 December 2010	8,712,627	140,221	18,865	1,303,874	1,462,960	10,175,587
Representing:						
Cost	–	140,221	18,865	1,303,874	1,462,960	1,462,960
Valuation – 2010	8,712,627	–	–	–	–	8,712,627
	8,712,627	140,221	18,865	1,303,874	1,462,960	10,175,587
Accumulated depreciation and amortisation:						
At 1 January 2010	–	84,350	9,807	561,626	655,783	655,783
Charge for the year	–	1,626	375	85,680	87,681	87,681
Written back on disposals	–	–	–	(14,661)	(14,661)	(14,661)
Exchange adjustments	–	–	–	1,911	1,911	1,911
At 31 December 2010	–	85,976	10,182	634,556	730,714	730,714
Net book value:						
At 31 December 2010	8,712,627	54,245	8,683	669,318	732,246	9,444,873

* Others mainly comprise machinery, furniture, fixtures and equipment.

11 FIXED ASSETS *(CONTINUED)*

(a) The Group *(continued)*

	Investment properties HK$'000	Other fixed assets: Hotel HK$'000	Leasehold land and buildings held for own use HK$'000	Others* HK$'000	Sub-total HK$'000	Total HK$'000
Cost or valuation:						
At 1 April 2009	8,075,559	131,122	18,865	944,041	1,094,028	9,169,587
Additions	–	–	–	313,180	313,180	313,180
Disposals	–	–	–	(23,855)	(23,855)	(23,855)
Exchange adjustments	9,681	–	–	918	918	10,599
Surplus on revaluation	109,186	–	–	–	–	109,186
At 31 December 2009	8,194,426	131,122	18,865	1,234,284	1,384,271	9,578,697
Representing:						
Cost	–	131,122	18,865	1,234,284	1,384,271	1,384,271
Valuation – 2009	8,194,426	–	–	–	–	8,194,426
	8,194,426	131,122	18,865	1,234,284	1,384,271	9,578,697
Accumulated depreciation and amortisation:						
At 1 April 2009	–	83,150	9,670	535,366	628,186	628,186
Charge for the period	–	1,200	137	42,726	44,063	44,063
Written back on disposals	–	–	–	(17,304)	(17,304)	(17,304)
Exchange adjustments	–	–	–	838	838	838
At 31 December 2009	–	84,350	9,807	561,626	655,783	655,783
Net book value:						
At 31 December 2009	8,194,426	46,772	9,058	672,658	728,488	8,922,914

* Others mainly comprise machinery, furniture, fixtures and equipment.

11 FIXED ASSETS *(CONTINUED)*

(b) The Company

	Investment properties HK$'000	Other fixed assets: Leasehold land and buildings held for own use HK$'000	Others* HK$'000	Sub-total HK$'000	Total HK$'000
Cost or valuation:					
At 1 January 2010	**157,858**	**260**	**65,932**	**66,192**	**224,050**
Additions	**–**	**–**	**2,481**	**2,481**	**2,481**
Disposals	**–**	**–**	**(1,609)**	**(1,609)**	**(1,609)**
Surplus on revaluation	**28,111**	**–**	**–**	**–**	**28,111**
At 31 December 2010	**185,969**	**260**	**66,804**	**67,064**	**253,033**
Representing:					
Cost	**–**	**260**	**66,804**	**67,064**	**67,064**
Valuation – 2010	**185,969**	**–**	**–**	**–**	**185,969**
	185,969	**260**	**66,804**	**67,064**	**253,033**
Accumulated depreciation and amortisation:					
At 1 January 2010	**–**	**213**	**43,532**	**43,745**	**43,745**
Charge for the year	**–**	**3**	**4,104**	**4,107**	**4,107**
Written back on disposals	**–**	**–**	**(1,376)**	**(1,376)**	**(1,376)**
At 31 December 2010	**–**	**216**	**46,260**	**46,476**	**46,476**
Net book value:					
At 31 December 2010	**185,969**	**44**	**20,544**	**20,588**	**206,557**

* Others comprise machinery, furniture, fixtures and equipment.

11 FIXED ASSETS *(CONTINUED)*

(b) The Company *(continued)*

		Other fixed assets			
	Investment properties HK$'000	Leasehold land and buildings held for own use HK$'000	Others* HK$'000	Sub-total HK$'000	Total HK$'000
Cost or valuation:					
At 1 April 2009	145,043	260	63,998	64,258	209,301
Additions	–	–	3,380	3,380	3,380
Disposals	–	–	(1,446)	(1,446)	(1,446)
Surplus on revaluation	12,815	–	–	–	12,815
At 31 December 2009	157,858	260	65,932	66,192	224,050
Representing:					
Cost	–	260	65,932	66,192	66,192
Valuation – 2009	157,858	–	–	–	157,858
	157,858	260	65,932	66,192	224,050
Accumulated depreciation and amortisation:					
At 1 April 2009	–	210	41,345	41,555	41,555
Charge for the period	–	3	3,633	3,636	3,636
Written back on disposals	–	–	(1,446)	(1,446)	(1,446)
At 31 December 2009	–	213	43,532	43,745	43,745
Net book value:					
At 31 December 2009	157,858	47	22,400	22,447	180,305

* Others comprise machinery, furniture, fixtures and equipment.

11 FIXED ASSETS *(CONTINUED)*

(c) The analysis of cost or valuation of properties is as follows:

	The Group		The Company	
	2010 HK$'000	2009 HK$'000	**2010 HK$'000**	2009 HK$'000
Land and buildings in Hong Kong:				
– long term leases	**144,409**	131,309	**145**	145
– medium term leases	**8,155,616**	7,690,870	**186,084**	157,973
Land and buildings outside Hong Kong:				
– long term leases	**522,711**	486,433	**–**	–
– medium term leases	**48,756**	35,580	**–**	–
– short term leases	**221**	221	**–**	–
	8,871,713	8,344,413	**186,229**	158,118

(d) Investment properties of the Group and the Company were revalued at 31 December 2010 on a market value basis calculated by reference to net rental income allowing for reversionary income potential. The valuations were carried out by an independent firm of surveyors, DTZ, which has among its staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued.

(e) The Group and the Company lease out investment properties under operating leases. The leases typically run for an initial period of 1 to 6 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments may be varied periodically to reflect market rentals and may contain a contingent rental element which is based on various percentages of tenant's sales receipts.

The total contingent rents recognised in the consolidated income statement for the year/period are HK$16,449,000 (nine months ended 31 December 2009: HK$9,366,000).

(f) The gross carrying amounts of investment properties of the Group and the Company held for use in operating leases are HK$8,712,627,000 (2009: HK$8,194,426,000) and HK$185,969,000 (2009: HK$157,858,000) respectively.

All properties held under operating leases that would otherwise meet the definition of investment properties are classified as investment property.

11 FIXED ASSETS *(CONTINUED)*

(g) Total future minimum lease payments under non-cancellable operating leases are receivable as follows:

	The Group		The Company	
	2010 HK$'000	2009 HK$'000	**2010 HK$'000**	2009 HK$'000
Within 1 year	**378,219**	326,905	**7,420**	5,278
After 1 year but within 5 years	**480,820**	264,473	**2,383**	2,962
	859,039	591,378	**9,803**	8,240

12 INTEREST IN SUBSIDIARIES

	The Company	
	2010 HK$'000	2009 HK$'000
Unlisted shares, at cost	**93,332**	93,612
Amounts due from subsidiaries (note)	**4,163,871**	4,231,591
	4,257,203	4,325,203
Less: Impairment loss	**(393,581)**	(390,772)
	3,863,622	3,934,431
Amounts due to subsidiaries (note)	**(1,254,307)**	(1,247,360)

Note: The amounts due from/(to) subsidiaries are unsecured, interest-free and have no fixed terms of repayment except for the amounts due from/(to) certain subsidiaries amounting to HK$3,383,517,000 (2009: HK$3,496,490,000) and HK$16,360,000 (2009: HK$15,840,000) respectively, which are interest bearing with reference to the prevailing market rate.

12 INTEREST IN SUBSIDIARIES *(CONTINUED)*

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

All of these are subsidiaries as defined under note 1(c) and have been consolidated into the Group's financial statements.

Name of company	Place of incorporation	Place of operation	Particulars of issued and paid up capital	Proportion of ownership interest: Group's effective interest	Proportion of ownership interest: Held by the Company	Proportion of ownership interest: Held by a subsidiary	Principal activity
All Best Resources Limited	Hong Kong	The People's Republic of China	HK$100	100%	–	100%	Property rental
Chitat Construction Limited	Hong Kong	The People's Republic of China	HK$10,000	100%	99%	1%	Property rental
Contender Limited	Hong Kong	Hong Kong	HK$200,000	100%	100%	–	Hotel operation and property rental
East Dragon Resources Limited	Hong Kong	The People's Republic of China	HK$100	100%	–	100%	Property rental
Globe Century Development Limited	Hong Kong	Hong Kong	HK$10,000	100%	100%	–	Property rental
Grand City Resources Limited	Hong Kong	The People's Republic of China	HK$100	100%	–	100%	Property rental
Gourmet Enterprises Limited	Hong Kong	Hong Kong	HK$180,000	94.4%	94.4%	–	Property rental
How Good Investments Limited	Hong Kong	Hong Kong	HK$2	100%	50%	50%	Property rental
How Light Investments Limited	Hong Kong	The People's Republic of China	HK$100,000	100%	–	100%	Property sale
Knutsford Limited	Hong Kong	Hong Kong	HK$20,000,000	100%	–	100%	Investment holding
Knutsford Steps Limited	Hong Kong	Hong Kong	HK$10,000	100%	100%	–	Investment holding
Korngold Limited	Hong Kong	Hong Kong	HK$2	100%	100%	–	Property investment
Merry King Resources Limited	Hong Kong	Hong Kong	HK$1,000	95%	–	95%	Restaurant operation
Miramar East Company Limited	Hong Kong	Hong Kong	HK$10,000	100%	–	100%	Property rental
Miramar Finance Limited	Hong Kong	Hong Kong	HK$100,000	100%	100%	–	Finance
Miramar Group (Corporate Funding) Co. Limited	Hong Kong	Hong Kong	HK$1,000	100%	99%	1%	Finance

12 INTEREST IN SUBSIDIARIES *(CONTINUED)*

Name of company	Place of incorporation	Place of operation	Particulars of issued and paid up capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
Miramar Hotel Management Company Limited	Hong Kong	Hong Kong	HK$10,000	100%	100%	–	Restaurant operation and hotel management
Miramar Hotel & Investment (Express) Limited	Hong Kong	Hong Kong	HK$10,000,000	100%	100%	–	Travel agency
Miramar Travel Limited	Hong Kong	Hong Kong	HK$13,000,000	53.8%	53.8%	–	Travel agency
The Pinesprop Limited	Hong Kong	Hong Kong	HK$1,000	100%	100%	–	Property investment
Profit Advantage Limited	Hong Kong	Hong Kong	HK$10,000	100%	–	100%	Investment holding
Prosperwell Properties Limited	Hong Kong	Hong Kong	HK$10,000	100%	93%	7%	Property rental
Randall Resources Limited	Hong Kong	The People's Republic of China	HK$100	100%	–	100%	Property rental
Shahdan Limited	Hong Kong	Hong Kong	HK$200,000	100%	100%	–	Property rental
Strong Profit Resources Limited	Hong Kong	The People's Republic of China	HK$10,000	70%	–	100%	Property sale
Tsui Hang Village Restaurant Limited	Hong Kong	Hong Kong	HK$500,000	100%	100%	–	Restaurant operation
Warsaw Investments Limited	Hong Kong	Hong Kong	HK$10,000	100%	100%	–	Property rental
Wide Trade Investments Limited	Hong Kong	Hong Kong	HK$10,000	100%	100%	–	Property investment
Wineloft Limited	Hong Kong	Hong Kong	HK$1	100%	–	100%	Wine trading
World Eagle Resources Limited	Hong Kong	Hong Kong	HK$2	100%	–	100%	Restaurant operation
Grand Mira Property Management (Shanghai) Limited ~ *	The People's Republic of China	The People's Republic of China	US$5,000,000	100%	–	100%	Property rental and management
Centralplot, Inc.	The British Virgin Islands	The United States of America	US$38,133,285	88%	–	88%	Property development

12 INTEREST IN SUBSIDIARIES *(CONTINUED)*

Name of company	Place of incorporation	Place of operation	Particulars of issued and paid up capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
Shanghai Henderson – Miramar Hotels Management Co. Ltd. ^ *	The People's Republic of China	The People's Republic of China	US$200,000	100%	–	100%	Hotel management
Shanghai Shangmei Property Co. Ltd. ^ *	The People's Republic of China	The People's Republic of China	US$13,000,000	51.4%	–	68.6%	Property development

* KPMG are not statutory auditors of these subsidiaries. The total net assets and total turnover of these subsidiaries constituting approximately 9% (2009 (restated): 7%) and 2% (nine months ended 31 December 2009: 2%) respectively of the related consolidated totals.

~ Wholly foreign-owned enterprise

^ Sino-foreign equity joint venture enterprise

13 INTEREST IN ASSOCIATES

	The Group		The Company	
	2010 HK$'000	2009 HK$'000	**2010 HK$'000**	2009 HK$'000
Unlisted shares, at cost	**–**	–	**250**	250
Share of net assets	**3,041**	16,810	**–**	–
Amounts due from associates	**7,328**	8,439	**4,911**	4,821
Loans to associates	**48,971**	48,971	**–**	–
	59,340	74,220	**5,161**	5,071
Less: Impairment loss	**(52,475)**	(66,725)	**(4,808)**	(4,813)
	6,865	7,495	**353**	258

Amounts due from associates and loans to associates are unsecured, interest-free and have no fixed terms of repayment.

The following list contains only the particulars of associates, all of which are unlisted corporate entities, which principally affected the results or assets of the Group.

Name of associate	Place of incorporation	Place of operation	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by a subsidiary	Principal activity
Booneville Company Limited	Hong Kong	Hong Kong	50%	–	50%	Restaurant operation
Kamliease International Limited *	Hong Kong	The People's Republic of China	49%	–	49%	Property sale
Shenzhen Haitao Hotel Company Limited *	The People's Republic of China	The People's Republic of China	30%	–	30%	Hotel operation

* KPMG are not statutory auditors of these associates.

13 INTEREST IN ASSOCIATES *(CONTINUED)*

Summary of financial information on associates:

	Assets HK$'000	Liabilities HK$'000	Equity HK$'000	Revenues HK$'000	Profit/(loss) HK$'000
For the twelve months ended 31 December 2010					
Aggregate of associates' financial statements	**189,839**	**(173,683)**	**16,156**	**44,370**	**8,553**
Group's effective interest	**79,665**	**(76,624)**	**3,041**	**17,184**	**3,224**
For the nine months ended 31 December 2009					
Aggregate of associates' financial statements	269,916	(194,525)	75,391	90,427	(182)
Group's effective interest	99,366	(82,556)	16,810	26,150	(55)

14 INTEREST IN A JOINTLY CONTROLLED ENTITY

	The Group	
	2010 HK$'000	2009 HK$'000
Share of net assets	**6,000**	–
Amount due to a jointly controlled entity	**(4,859)**	–
	1,141	–

Amount due to a jointly controlled entity is unsecured, interest-free and has no fixed terms of repayment.

Details of the Group's interest in the jointly controlled entity are as follows:

				Proportion of ownership interest			
Name of joint venture	**Form of business structure**	**Place of incorporation and operation**	**Particulars of issued capital**	**Group's effective interest**	**Held by the Company**	**Held by a subsidiary**	**Principal activity**
Saboten Miramar Hong Kong Company Limited *	Incorporated	Hong Kong	HK$12,000,000	50%	–	50%	Restaurant operation

* KPMG are not statutory auditors of this jointly controlled entity.

14 INTEREST IN A JOINTLY CONTROLLED ENTITY *(CONTINUED)*

Summary financial information on jointly controlled entity – Group's effective interest

	2010 **HK$'000**	2009 HK$'000
Current assets	**6,570**	–
Current liabilities	**(570)**	–
Net assets	**6,000**	–

This jointly controlled entity is incorporated in July 2010 and does not start its operation at 31 December 2010.

15 AVAILABLE-FOR-SALE INVESTMENTS

	The Group		**The Company**	
	2010 **HK$'000**	2009 HK$'000	**2010** **HK$'000**	2009 HK$'000
Listed securities in Hong Kong (stated in market value)	**6,013**	16,716	**–**	11,780

16 PROPERTIES UNDER DEVELOPMENT FOR SALE

	The Group	
	2010 **HK$'000**	2009 HK$'000
Outside Hong Kong on freehold land	**241,933**	241,180

17 INVENTORIES

	The Group		**The Company**	
	2010 **HK$'000**	2009 HK$'000	**2010** **HK$'000**	2009 HK$'000
Consumable stores	**17,227**	17,904	**3,275**	4,308
Properties held for resale	**139,172**	115,092	**–**	–
Others	**3,959**	–	**–**	–
	160,358	132,996	**3,275**	4,308

Properties held for resale of HK$139,172,000 (2009: HK$115,092,000) is net of a provision in order to state these properties at the lower of their cost and estimated net realisable value.

18 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2010 HK$'000	2009 HK$'000	**2010 HK$'000**	2009 HK$'000
Trade receivables	**68,956**	62,327	**3,244**	2,328
Less: Allowance for doubtful debts	**(1,407)**	(1,407)	**–**	–
	67,549	60,920	**3,244**	2,328
Other receivables	**140,802**	88,906	**11,887**	12,540
	208,351	149,826	**15,131**	14,868

All of the trade and other receivables are expected to be recovered within one year except for the amount of HK$11,112,000 (2009: HK$12,202,000) which is expected to be recovered after more than one year.

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

	The Group		The Company	
	2010 HK$'000	2009 HK$'000	**2010 HK$'000**	2009 HK$'000
0 to 1 month	**38,922**	35,091	**2,411**	1,213
1 month to 2 months	**10,885**	12,172	**292**	601
Over 2 months	**17,742**	13,657	**541**	514
	67,549	60,920	**3,244**	2,328

The Group's credit policy is set out in note 27(a).

(b) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

The movement in the allowance for doubtful debts during the year/period, including both specific and collective loss components, is as follows:

	The Group	
	2010 HK$'000	2009 HK$'000
At 1 January 2010/1 April 2009	**1,407**	1,637
Uncollectible amounts written off	**–**	(230)
At 31 December	**1,407**	1,407

18 TRADE AND OTHER RECEIVABLES *(CONTINUED)*

(b) Impairment of trade receivables *(continued)*

At 31 December 2010, the Group's trade receivables of HK$1,407,000 (2009: HK$1,407,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that the receivables are expected to be not recoverable. Consequently, specific allowances for doubtful debts of HK$1,407,000 (2009: HK$1,407,000) were recognised. The Group does not hold any collateral over these balances.

(c) Trade receivables that are not impaired

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	The Group		**The Company**	
	2010 **HK$'000**	2009 HK$'000	**2010** **HK$'000**	2009 HK$'000
Neither past due nor impaired	**38,922**	35,091	**2,411**	1,213
Less than 1 month past due	**10,885**	12,172	**292**	601
1 to 2 months past due	**4,636**	5,459	**237**	310
Over 2 months past due	**13,106**	8,198	**304**	204
	28,627	25,829	**833**	1,115
	67,549	60,920	**3,244**	2,328

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there were no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

19 CASH AND BANK BALANCES

	The Group		The Company	
	2010 HK$'000	2009 HK$'000	**2010 HK$'000**	2009 HK$'000
Deposits with banks and other financial institutions	**100,904**	116,031	**118**	–
Cash at bank and in hand	**379,081**	311,683	**16,722**	33,577
	479,985	427,714	**16,840**	33,577

20 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2010 HK$'000	2009 HK$'000	**2010 HK$'000**	2009 HK$'000
Trade payables	**81,980**	78,947	**27,041**	25,150
Other payables	**239,708**	209,139	**36,863**	52,493
Amounts due to holders of non-controlling interests of subsidiaries (see note 21)	**91,075**	152,038	**–**	–
Amount due to an associate (note)	**4,428**	–	**4,428**	–
	417,191	440,124	**68,332**	77,643

Note: Amount due to an associate is unsecured, interest-free and repayable on demand.

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

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

	The Group		The Company	
	2010 HK$'000	2009 HK$'000	**2010 HK$'000**	2009 HK$'000
Due within 3 months or on demand	**67,877**	76,038	**26,485**	24,605
Due after 3 months but within 6 months	**14,103**	2,909	**556**	545
	81,980	78,947	**27,041**	25,150

21 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$54,040,000 (2009: HK$56,317,000), which is interest bearing at 6.14% (2009: 7.56%) per annum and not expected to be settled within one year (2009: have no fixed terms of repayment), all of the amounts due to holders of non-controlling interests of subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

22 INTEREST-BEARING BORROWINGS

	The Group		The Company	
	2010 HK$'000	2009 HK$'000	**2010 HK$'000**	2009 HK$'000
Current portion of long-term bank loans, unsecured and repayable within one year	**214,911**	299,919	**–**	299,919
Long-term bank loans, unsecured and repayable:				
– Within one year	**214,911**	299,919	**–**	299,919
– Between one and two years	**–**	307,661	**–**	–
– Between two and five years	**647,492**	234,250	**249,192**	–
	862,403	841,830	**249,192**	299,919
Less: Current portion of long-term bank loans	**(214,911)**	(299,919)	**–**	(299,919)
Non-current portion of long-term bank loans	**647,492**	541,911	**249,192**	–
Total interest-bearing borrowings	**862,403**	841,830	**249,192**	299,919

Interest on bank loans is charged at prevailing market rates.

Bank loans repayable within one year will be settled by re-financing or from the general working capital of the Group.

All of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 27(b). As at 31 December 2010 none of the covenants relating to drawn down facilities had been breached (2009: None).

23 DEFERRED LIABILITIES

Deferred liabilities represent refundable rental deposits received on properties held under operating leases with unexpired lease terms exceeding one year as at the balance sheet date.

24 TAXATION IN THE BALANCE SHEET

(a) Tax (recoverable)/payable in the balance sheet represents:

	The Group		The Company	
	2010 HK$'000	2009 HK$'000	**2010 HK$'000**	2009 HK$'000
Provision for Hong Kong Profits Tax for the year/period	**49,850**	39,324	**643**	1,697
Provisional Hong Kong Profits Tax paid	**(36,160)**	(910)	**–**	(2,008)
	13,690	38,414	**643**	(311)
Balance of Hong Kong Profits Tax payable/ (recoverable) relating to prior years	**91**	14,551	**(328)**	–
Overseas tax payable	**1,334**	500	**–**	–
	15,115	53,465	**315**	(311)
Representing:				
Tax recoverable	**(2,045)**	(2,930)	**–**	(311)
Tax payable	**17,160**	56,395	**315**	–
	15,115	53,465	**315**	(311)

None of the tax (recoverable)/payable is expected to be settled or recovered after more than one year.

24 TAXATION IN THE BALANCE SHEET *(CONTINUED)*

(b) Deferred tax assets and liabilities recognised:

(i) The Group

The components of deferred tax liabilities/(assets) recognised in the consolidated balance sheet and the movements during the year/period are as follows:

	Depreciation allowances in excess of related depreciation HK$'000	Revaluation of properties HK$'000	Future benefit of tax loss HK$'000	Others HK$'000	Total HK$'000
Deferred tax arising from:					
At 1 April 2009	96,052	1,038,554	(25,476)	(6,535)	1,102,595
Impact of change in accounting policy (note 2)	–	(993,279)	–	–	(993,279)
At 1 April 2009 (restated)	96,052	45,275	(25,476)	(6,535)	109,316
Charged/(credited) to profit or loss	36,553	1,011	(20,764)	(2,429)	14,371
Exchange adjustments	231	870	–	49	1,150
At 31 December 2009 (restated)	132,836	47,156	(46,240)	(8,915)	124,837
At 1 January 2010 (restated)	**132,836**	**47,156**	**(46,240)**	**(8,915)**	**124,837**
Charged/(credited) to profit or loss	**11,231**	**2,591**	**–**	**(8,479)**	**5,343**
Exchange adjustments	**549**	**1,944**	**–**	**107**	**2,600**
At 31 December 2010	**144,616**	**51,691**	**(46,240)**	**(17,287)**	**(132,780)**

24 TAXATION IN THE BALANCE SHEET *(CONTINUED)*

(b) Deferred tax assets and liabilities recognised: *(continued)*

(ii) The Company

The components of deferred tax liabilities recognised in the balance sheet and the movements during the year/period are as follows:

	Depreciation allowances in excess of related depreciation HK$'000	Revaluation of properties HK$'000	Total HK$'000
Deferred tax arising from:			
At 1 April 2009	6,112	10,873	16,985
Impact of change in accounting policy (note 2)	–	(10,873)	(10,873)
At 1 April 2009 (restated)	6,112	–	6,112
Charged to profit or loss	671	–	671
At 31 December 2009 (restated)	6,783	–	6,783
At 1 January 2010 (restated)	**6,783**	**–**	**6,783**
Charged to profit or loss	**323**	**–**	**323**
At 31 December 2010	**7,106**	**–**	**7,106**

(iii)

	The Group		The Company	
	2010 HK$'000	2009 HK$'000 (restated)	**2010 HK$'000**	2009 HK$'000 (restated)
Net deferred tax assets recognised on the balance sheet	**(18,138)**	(9,896)	**–**	–
Net deferred tax liabilities recognised on the balance sheet	**150,918**	134,733	**7,106**	6,783
	132,780	124,837	**7,106**	6,783

24 TAXATION IN THE BALANCE SHEET *(CONTINUED)*

(c) Deferred tax assets not recognised

The Group has not recognised deferred assets of HK$49,071,000 (2009: HK$51,635,000) in respect of accumulated tax losses of HK$201,650,000 (2009: HK$221,975,000) as the availability of future taxable profits against which the assets can be utilised is uncertain at 31 December 2010.

The tax losses can be carried forward to offset against the taxable profits of subsequent years for up to five years from the year in which they were incurred or there is no restriction on their expiry, depending on the tax jurisdiction concerned.

25 RETIREMENT SCHEMES

The Group operates various defined contribution retirement schemes for its employees in Hong Kong and in certain overseas locations. The assets of these schemes are held in funds administered by independent trustees. The retirement schemes in Hong Kong are registered under and comply with the Occupational Retirement Schemes Ordinance and the Mandatory Provident Fund Schemes Ordinance. Most of the employees engaged outside Hong Kong are covered by appropriate local arrangements.

The Group operates the following principal schemes:

Defined contribution retirement schemes and Mandatory Provident Fund Scheme

The defined contribution scheme is available to employees who completed the probation period prior to 1 December 2000. The scheme requires scheme members and the Group to contribute funds calculated at a percentage of the members' actual basic salaries.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the above defined contribution scheme. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$20,000. Contributions to the plan vest immediately.

During the year/period, the Group made a contribution of HK$13,774,000 (nine months ended 31 December 2009: HK$9,408,000) to the defined contribution scheme and the MPF Scheme and charged it to the consolidated income statement. Forfeited contributions of the defined contribution scheme may be used by the Group to reduce the level to contributions made by the Group to this scheme. During the year/period, forfeited contributions of approximately HK$295,000 (nine months ended 31 December 2009: HK$659,000) were utilised to reduce the Group's contributions. At the balance sheet date, there was no unutilised forfeited contribution available to reduce the contributions payable in the future (2009: HK$Nil).

26 TOTAL EQUITY

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year/period are set out below:

The Company

	Share capital HK$'000	Share premium HK$'000	Capital reserve HK$'000	General reserve HK$'000	Investment revaluation reserve HK$'000	Retained profits HK$'000	Total HK$'000
At 1 April 2009	404,062	287,628	1,019,874	300,000	–	437,244	2,448,808
Impact of change in accounting policy (note 2)	–	–	–	–	–	10,873	10,873
At 1 April 2009 (restated)	404,062	287,628	1,019,874	300,000	–	448,117	2,459,681
Changes in equity for the nine months ended 31 December 2009:							
Profit and total comprehensive income for the period	–	–	–	–	6,039	177,123	183,162
Final dividends approved in respect of the previous year (note 8(b))	–	–	–	–	–	(98,129)	(98,129)
Interim dividends declared in respect of the current period (note 8(a))	–	–	–	–	–	(75,040)	(75,040)
At 31 December 2009 (restated)	404,062	287,628	1,019,874	300,000	6,039	452,071	2,469,674
At 1 January 2010 (restated)	**404,062**	**287,628**	**1,019,874**	**300,000**	**6,039**	**452,071**	**2,469,674**
Changes in equity for the twelve months ended 31 December 2010:							
Profit and total comprehensive income for the year	**–**	**–**	**–**	**–**	**(6,039)**	**203,400**	**197,361**
Final dividends approved in respect of the previous period (note 8(b))	**–**	**–**	**–**	**–**	**–**	**(57,723)**	**(57,723)**
Interim dividends declared in respect of the current year (note 8(a))	**–**	**–**	**–**	**–**	**–**	**(86,585)**	**(86,585)**
At 31 December 2010	**404,062**	**287,628**	**1,019,874**	**300,000**	**–**	**511,163**	**2,522,727**

26 TOTAL EQUITY *(CONTINUED)*

(b) Share capital

	2010		2009	
	No. of shares	**Amount HK$'000**	No. of shares	Amount HK$'000
Authorised:				
Ordinary shares of HK$0.70 each	**700,000,000**	**490,000**	700,000,000	490,000
Issued and fully paid:				
Ordinary shares of HK$0.70 each	**577,231,252**	**404,062**	577,231,252	404,062

(c) Nature and purpose of reserves

(i) The Group

The application of the share premium account is governed by section 48B of the Hong Kong Companies Ordinance.

The capital reserve represents positive goodwill arose from acquisition of subsidiaries and associates prior to 1 January 2001 which was taken directly to equity on acquisition.

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 1(t).

The application of the general reserve is in accordance with Article 117 of the Company's Articles of Association.

The investment revaluation reserve comprises the cumulative net change in fair value of available-for-sale investments held at balance sheet date and is dealt with in accordance with the accounting policy in note 1(f).

The accumulated losses attributable to associates at 31 December 2010 were HK$9,845,000 (2009: HK$11,076,000).

26 TOTAL EQUITY *(CONTINUED)*

(c) Nature and purpose of reserves *(continued)*

(ii) The Company

The application of the share premium account is governed by section 48B of the Hong Kong Companies Ordinance.

The application of the capital reserve and the general reserve is in accordance with Article 117 of the Company's Articles of Association.

The investment revaluation reserve comprises the cumulative net change in fair value of available-for-sale investments held at balance sheet date and is dealt with in accordance with the accounting policy in note 1(f).

Distributable reserves of the Company at 31 December 2010, calculated in accordance with section 79B of the Hong Kong Companies Ordinance, amounted to HK$704,332,000 (2009: HK$673,353,000).

After the balance sheet date, the directors proposed a final dividend of 22 Hong Kong cents per share (nine months ended 31 December 2009: 10 Hong Kong cents per share) amounting to HK$126,991,000 (nine months ended 31 December 2009: HK$57,723,000). This dividend has not been recognised as a liability at the balance sheet date.

(d) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to meet its financial obligations and continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in the Group's business portfolio and economic conditions.

The Group monitors its capital structure by reviewing its net debt-to-equity ratios and cash flow requirements, taking into account of its future financial obligations and commitments. For this purpose, the Group defines net debt as total interest-bearing borrowings, including interest-bearing amounts due to holders of non-controlling interests of subsidiaries, less cash and bank balances. Shareholders' equity comprises issued share capital and reserves attributable to equity shareholders of the Company. Total equity comprises shareholders' equity and non-controlling interests.

26 TOTAL EQUITY *(CONTINUED)*

(d) Capital management *(continued)*

The net debt-to-equity ratios at balance sheet date are as follows:

		The Group	
	Note	**2010 HK$'000**	2009 HK$'000 (restated)
Interest-bearing borrowings	22	**862,403**	841,830
Interest-bearing amounts due to holders of non-controlling interests of a subsidiary	21	**54,040**	56,317
Less: Cash and bank balances	19	**(479,985)**	(427,714)
Net debts		**436,458**	470,433
Shareholders' equity		**8,760,944**	8,102,285
Net debt-to-shareholders' equity ratio		**5.0%**	5.8%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirement.

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and cash and bank balances. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(CONTINUED)*

(a) Credit risk *(continued)*

In respect of trade and other receivable, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due ranging from 7 to 60 days from the date of billing. Debtors with balances that are more than 60 days overdue are generally required to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain any collateral from customers. The ageing of trade receivables at 31 December 2010 is summarised in note 18.

Cash is deposited with financial institutions with sound credit ratings to minimise credit exposure.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance. There is no significant concentration of credit risk within the Group.

(b) Liquidity risk

Cash management of the Company and wholly-owned subsidiaries of the Group are substantially centralised at the Group level. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(CONTINUED)*

(b) Liquidity risk *(continued)*

The following tables detail the remaining contractual maturities at the balance sheet date of the Group's and the Company's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group and the Company can be required to pay:

The Group

		Contractual undiscounted cash flow			
	Carrying amount HK$'000	Total HK$'000	Within 1 year or on demand HK$'000	More than 1 year but less than 2 years HK$'000	More than 2 years but less than 5 years HK$'000
At 31 December 2010					
Trade and other payables	**321,688**	**321,688**	**321,688**	**–**	**–**
Amount due to an associate	**4,428**	**4,428**	**4,428**	**–**	**–**
Amounts due to holders of non-controlling interests of subsidiaries	**145,115**	**151,751**	**94,393**	**57,358**	**–**
Interest-bearing borrowings	**862,403**	**881,610**	**221,569**	**5,870**	**654,171**
Sales and rental deposits received	**116,408**	**116,408**	**116,408**	**–**	**–**
Deferred liabilities	**86,627**	**86,627**	**–**	**21,587**	**65,040**
	1,536,669	**1,562,512**	**758,486**	**84,815**	**719,211**
At 31 December 2009					
Trade and other payables	288,086	288,086	288,086	–	–
Amounts due to holders of non-controlling interests of subsidiaries	152,038	156,296	156,296	–	–
Interest-bearing borrowings	841,830	856,176	306,738	311,718	237,720
Sales and rental deposits received	79,935	79,935	79,935	–	–
Dividend payable	75,040	75,040	75,040	–	–
Deferred liabilities	95,327	95,327	–	63,094	32,233
	1,532,256	1,550,860	906,095	374,812	269,953

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(CONTINUED)*

(b) Liquidity risk *(continued)*

The Company

		Contractual undiscounted cash flow			
	Carrying amount HK$'000	**Total HK$'000**	**Within 1 year or on demand HK$'000**	**More than 1 year but less than 2 years HK$'000**	**More than 2 years but less than 5 years HK$'000**
At 31 December 2010					
Trade and other payables	**63,904**	**63,904**	**63,904**	**–**	**–**
Amount due to an associate	**4,428**	**4,428**	**4,428**	**–**	**–**
Deposits received	**1,674**	**1,674**	**1,674**	**–**	**–**
Interest-bearing borrowings	**249,192**	**256,542**	**2,650**	**2,650**	**251,242**
Deferred liabilities	**2,125**	**2,125**	**–**	**1,897**	**228**
	321,323	**328,673**	**72,656**	**4,547**	**251,470**
Financial guarantees issued: – Maximum amount guaranteed (note 30)	**–**	**618,000**	**618,000**	**–**	**–**
At 31 December 2009					
Trade and other payables	77,643	77,643	77,643	–	–
Deposits received	2,214	2,214	2,214	–	–
Interest-bearing borrowings	299,919	301,354	301,354	–	–
Dividend payable	75,040	75,040	75,040	–	–
Deferred liabilities	1,205	1,205	–	1,002	203
	456,021	457,456	456,251	1,002	203
Financial guarantees issued: – Maximum amount guaranteed (note 30)	–	546,000	546,000	–	–

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(CONTINUED)*

(c) Interest rate risk

The Group's exposure to interest rate risk relates principally to the Group's bank loans and amounts due to holders of non-controlling interests of subsidiaries. The Group is most vulnerable to changes in Hong Kong dollar interest rates. Interest rate risk is managed by the Group's senior management in accordance with defined policies through regular review to determine the strategy as to having the funding in floating/fixed rate mix appropriate to its current business portfolio.

(i) The following table details the interest rate profile of the Group's borrowings at the balance sheet date:

	The Group				The Company			
	2010		2009		**2010**		2009	
	Effective interest rate	**Amount HK$'000**	Effective interest rate	Amount HK$'000	**Effective interest rate**	**Amount HK$'000**	Effective interest rate	Amount HK$'000
Floating rate borrowings								
Bank loans	**0.805% – 1.07%**	**862,403**	0.51% – 1.19%	841,830	**0.98% – 1.07%**	**249,192**	0.51% – 0.85%	299,919
Amounts due to holders of non-controlling interests of a subsidiary	**6.14%**	**54,040**	7.56%	56,317	**–**	**–**	–	–
Total borrowings		**916,443**		898,147		**249,192**		299,919

(ii) *Sensitivity analysis*

At 31 December 2010, it is estimated that a general increase/decrease of 25 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's and the Company's profit after tax and total equity by approximately HK$1,901,000 (2009: HK$1,864,000) and HK$520,000 (2009: HK$626,000) respectively.

The sensitivity analysis above indicates the instantaneous change in the Group's and the Company's profit after tax (and retained profits) that would arise assuming that the change in interest rates had occurred at the balance sheet date and had been applied to re-measure the amount of interest-bearing borrowings held by the Group and the Company which expose the Group and the Company to interest rate risk at the balance sheet date. The analysis is performed on the same basis for the nine months ended 31 December 2009.

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(CONTINUED)*

(d) Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as available-for-sale investments.

Listed investments held in the available-for-sale portfolio have been chosen taking reference to their long term growth potential and returns and are monitored regularly for performance. Given that the volatility of the stock markets may not have a direct correlation with the Group's investment portfolio, it is impractical to determine the impact that the changes in stock market indices would have on the Group's portfolio of equity investments.

At 31 December 2010, it is estimated that an increase/decrease of 5% (2009: 5%) in the market value of the Group's listed available-for-sale investments, with all other variables held constant, would not affect the Group's profit unless there are impairments. The Group's total equity would have increased/decreased by HK$301,000 (2009: HK$837,000).

The sensitivity analysis above indicates the instantaneous change in the Group's and the Company's profit after tax (and retained profits) and other components of consolidated equity that would arise assuming that the change in market value had occurred at the balance sheet date and had been applied to re-measure those financial instruments held by the Group and the Company which expose the Group and the Company to equity price risk at the balance sheet date. It is also assumed that the fair values of the Group's and the Company's equity investments would change in accordance with the market values, that none of the Group's or the Company's available-for-sale investments would be considered impaired as a result of the decrease in market values, and that all over variables remain constant. The analysis is performed on the same basis for the nine months ended 31 December 2009.

(e) Foreign currency risk

The Group owns assets and conducts its business primarily in Hong Kong with its cash flows substantially denominated in Hong Kong dollars.

The Group's primary foreign currency exposures arise from its investment in subsidiaries and associates operating in the People's Republic of China and the United States of America. Where appropriate and cost-efficient, the Group seeks to finance these investments by Renminbi ("RMB") or United States Dollars ("USD") borrowings with reference to the future RMB or USD funding requirements from the investment and related returns.

At 31 December 2010, the Group is not exposed to significant foreign currency risk as the Group's monetary assets and liabilities are primarily denominated in the functional currency of the entity to which they relate.

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(CONTINUED)*

(f) Fair values

(i) Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at the balance sheet date across the three levels of the fair value hierarchy defined in HKFRS 7, *Financial Instruments: Disclosures*, with the fair value of each financial instrument categorised in its entirely based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

– Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments.

– Level 2: fair values measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market date.

– Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data.

The Group

	2010			
	Level 1 HK$'000	**Level 2 HK$'000**	**Level 3 HK$'000**	**Total HK$'000**
Assets				
Available-for-sale investments:				
– Listed securities in Hong Kong	**6,013**	**–**	**–**	**6,013**

	2009			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Assets				
Available-for-sale investments:				
– Listed securities in Hong Kong	16,716	–	–	16,716

27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES *(CONTINUED)*

(f) Fair values *(continued)*

(i) Financial instruments carried at fair value (continued)

The Company

	2010			
	Level 1 HK$'000	**Level 2 HK$'000**	**Level 3 HK$'000**	**Total HK$'000**
Assets				
Available-for-sale investments:				
– Listed securities in Hong Kong	**–**	**–**	**–**	**–**

	2009			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Assets				
Available-for-sale investments:				
– Listed securities in Hong Kong	11,780	–	–	11,780

During the year, there were no transfers between instruments in Level 1 and Level 2.

(ii) Fair values of financial instruments carried at other than fair value

The fair values of receivables, bank balances and other current assets, payables and accruals and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities.

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2010 and 2009. Amounts due from/(to) subsidiaries are unsecured, interest free and have no fixed repayment terms. Given these terms it is not meaningful to disclose fair values.

28 CAPITAL COMMITMENTS

Capital commitments outstanding at 31 December 2010 not provided for in the financial statements were as follows:

	The Group	
	2010 HK$'000	2009 HK$'000
Future expenditure relating to properties:		
Contracted for	**49,810**	229,758
Authorised but not contracted for	**118,723**	1,342
	168,533	231,100

29 OPERATING LEASE COMMITMENTS

At 31 December 2010, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	The Group		The Company	
	2010 HK$'000	2009 HK$'000	**2010 HK$'000**	2009 HK$'000
Within 1 year	**41,404**	19,308	**5,181**	4,534
After 1 year but within 5 years	**95,728**	42,918	**20,525**	–
After 5 years	**1,934**	2,444	**–**	–
	139,066	64,670	**25,706**	4,534

The Group leases a number of properties under operating leases. The leases typically run for an initial period of 1 to 9 years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually increased annually to reflect market rentals.

30 CONTINGENT LIABILITIES

The Company has given guarantees in respect of banking facilities of certain wholly owned subsidiaries to the extent of HK$1,257,000,000 (2009: HK$1,086,000,000). The banking facilities were utilised to the extent of HK$618,000,000 (2009: HK$546,000,000) at 31 December 2010. As at balance sheet date, the directors do not consider it probable that a claim will be made against the Company under any of the guarantees.

31 MATERIAL RELATED PARTY TRANSACTIONS

(a) The Group incurred a fee of HK$1,362,000 (nine months ended 31 December 2009: HK$1,022,000) to a subsidiary of its major shareholder for the provision of property agency services to the Group's investment properties in Hong Kong which was calculated at a certain percentage of the gross rental income from the Group's investment properties during the year/period.

The Group's travel division provides agency services to certain subsidiaries and associates of its major shareholder amounted to HK$16,334,000 (nine months ended 31 December 2009: HK$12,032,000) in respect of air ticket booking, hotel accommodation and hire car services under similar terms it provides to other customers.

The amounts due from these companies at the year end amounted to HK$13,307,000 (2009: amount due to HK$1,122,000).

(b) The Group provides hotel management services to certain associates which run hotel operations in the People's Republic of China. Total management fees received/receivable for the year amounted to HK$2,583,000 (nine months ended 31 December 2009: HK$1,902,000) which were calculated at a certain percentage of the respective associates' revenue for the year. The net amounts due from these associates at the year end amounted to HK$544,000 (2009: HK$1,590,000).

(c) The Group entered into management agreements with certain affiliated companies of its major shareholder for the provision of management service to a service apartment in Hong Kong under normal commercial terms. The management fee was calculated at a certain percentage of revenue generated from that service apartment for the period the service provided. Total management fees for the year received/receivable amounted to HK$1,713,000 (nine months ended 31 December 2009: HK$6,879,000). Out of the total received/receivable amount for the nine months ended 31 December 2009, HK$6,038,000 was the management fee generated from the said management service rendered to this service apartment in prior years. The net amounts due from these companies at the year end amounted to HK$2,676,000 (2009: HK$4,209,000).

(d) The Company and its wholly-owned subsidiaries provided net advance to certain associates totalling HK$64,000 (nine months ended 31 December 2009: received net payment of HK$190,000) during the year. Such balances are unsecured, interest-free and have no fixed terms of repayment. The amounts due from/loan to these associates at the year end amounted to HK$54,645,000 (2009: HK$54,581,000).

(e) The Group received security services from a subsidiary of its major shareholder under the normal commercial terms. Total service fee for the year amounted to HK$91,000 (nine months ended 31 December 2009: HK$2,953,000). The amount due to this company at the year end amounted to HK$Nil (2009: HK$967,000).

(f) The Group entered into a lease agreement with a subsidiary of its major shareholder for the leasing of Shop 2004, 2/F, Miramar Shopping Centre under the normal commercial terms. Total rental and building management fee received/receivable for the year amounted to HK$2,176,000 (nine months ended 31 December 2009: HK$1,616,000). The amount due from this subsidiary at the year end amounted to HK$6,000 (2009: HK$6,000). Such transaction is considered to be a related party transaction and also constitutes a continuing connected transaction as defined under the Listing Rules.

31 MATERIAL RELATED PARTY TRANSACTIONS *(CONTINUED)*

(g) The Group entered into a lease agreement with an associate of its major shareholder for the leasing of Shop Nos. 3101-3107 on Level Three and certain storerooms and advertisement lightboxes of ifc Mall under normal commercial terms. Total rental and building management fee expense for the year amounted to HK$12,684,000 (nine months ended 31 December 2009: HK$8,844,000) including contingent rental of HK$259,000 (nine months ended 31 December 2009: HK$41,000). There was no balance due from/to that associate at the year end (2009: HK$Nil). Such transaction is considered to be a related party transaction and also constitutes a continuing connected transaction as defined under the Listing Rules.

(h) The Group entered into lease agreements with an associate of its major shareholders for the leasing of Office Units 1801-08, 1812-15 and 1817-18, 18/F, Miramar Tower under normal commercial terms. Total rental and building management fee received/receivables for the year amounted to HK$7,444,000 (nine months ended 31 December 2009: HK$2,217,000). The amount due from that associate at year end amounted to HK$8,000 (2009: HK$2,000). Such transaction is considered to be related party transactions and also constitutes continuing connected transactions as defined under the Listing Rules.

(i) The Group entered into lease agreements with a subsidiary of its major shareholder for the leasing of Shop 503A, 503B and 503C, 5/F., Miramar Shopping Centre and Office Units 609-12, 6/F., Miramar Tower under normal commercial terms. Total rental and building management fee received/receivables for the year amounted to HK$10,819,000 (nine months ended 31 December 2009: HK$9,827,000). The amount due from this company at year end amounted to HK$Nil (2009: HK$1,006,000). Such transactions are considered to be related party transactions and also constitute continuing connected transactions as defined under the Listing Rules.

(j) The Group entered into a lease agreement with an associate of its major shareholder for the leasing of Shop 3013, Portion of Podium Roof and Fan Room, 3/F., Miramar Shopping Centre under normal commercial terms. Total rental and building management fee received/receivables for the year amounted to HK$9,567,000 (nine months ended 31 December 2009: HK$7,150,000). The amount due from this company at year end amounted to HK$8,000 (2009: HK$751,000). Such transaction is considered to be a related party transaction and also constitutes a continuing connected transaction as defined under the Listing Rules.

(k) During the year, the Group entered into a lease agreement with a subsidiary of its major shareholder for the leasing of Units Nos, 201-05, Level Two of West Tower, World Financial Centre, the People's Republic of China under the normal commercial terms. Total rental and building management deposits amounted to HK$1,650,000 was paid during the year. There was no balance due from/to that company at the year end. Such transaction is considered to be a related party transaction and also constitutes a connected transaction as defined under the Listing Rules.

(l) During the year, the remuneration for the directors and the key management personnel of the Group amounted to HK$16,742,000 (nine months ended 31 December 2009: HK$9,757,000) as disclosed in notes 5 and 6. The remuneration of directors and senior management is determined by the Remuneration Committee having regard to the performance and responsibilities of individuals and market trends.

32 POST BALANCE SHEET EVENTS

After the balance sheet date the directors proposed a final dividend. Further details are disclosed in note 8.

33 RESTATEMENT OF COMPARATIVE

As a result of the adoption of the amendments to HKAS 12, *Income taxes*, certain comparative figures have been adjusted to reflect the decrease in accrual of deferred tax liabilities related to certain investment properties of the Group carried at fair value. Further details of these changes in accounting policies are disclosed in note 2. Moreover, certain comparative figures have been re-classified in conformity with the current year's presentation.

34 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in note 1, management has made the following judgements that have significant effect on the amounts recognised in the financial statements.

Valuation of investment properties

Investment properties are included in the balance sheet at their market value, which are assessed annually by external qualified valuers, after taking into consideration the net rental income allowing for reversionary income potential.

The fair value of investment properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the investment properties.

Assessment of the useful economic lives for depreciation of other fixed assets

The Group depreciates other fixed assets in accordance with depreciation policy as set out in note 1(h). The estimated useful lives reflect the directors' estimate of the periods during which the Group intends to derive future economic benefits from the use of these assets.

Assessment of provision for properties held under development and for resale

Management determines the net realisable value of properties held under development and for resale by using the prevailing market data such as most recent sale transactions and market survey reports available from independent property valuers.

Management's assessment of net realisable value of properties held under development and for resale requires judgement as to the anticipated sale prices with reference to the recent sale transactions in nearby locations and the related costs to be incurred in selling the property. The Group's estimates may not be accurate and might need to be adjusted in later periods.

34 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(CONTINUED)*

Impairment of interest in subsidiaries

In considering the impairment losses that may be required for the Company's interest in subsidiaries, recoverable amount of the assets needs to be determined. The recoverable amount is the greater of the net selling price and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the assets are discounted to their present value, which requires significant judgement relating to items such as level of turnover and amount of operating costs of the subsidiaries. The Company uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as turnover and operating costs of subsidiaries.

35 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2010

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and Interpretations and one new standard which are not yet effective for the year ended 31 December 2010 and which have not been adopted in these financial statements. Of these, the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Revised HKAS 24, *Related party disclosures*	1 January 2011
Improvements to HKFRSs 2010	1 July 2011 or 1 January 2011

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

Group's Five-year Financial Summary

	For the twelve months ended 31 December 2010 HK$'M	For the nine months ended 31 December 2009 HK$'M (Restated)	For the twelve months ended 31 March 2009 HK$'M (Restated)	For the twelve months ended 31 March 2008 HK$'M	For the twelve months ended 31 March 2007 HK$'M
Results					
Turnover	**2,112**	1,303	1,616	1,588	1,434
Profit attributable to shareholders	**784**	260	142	783	688
Assets and liabilities					
Fixed assets	**9,445**	8,923	8,541	8,503	7,891
Interest in associates	**7**	7	12	4	3
Interest in a jointly controlled entity	**1**	–	–	–	–
Available-for-sale investments	**6**	17	10	16	35
Deferred tax assets	**18**	10	15	9	16
Net current assets	**327**	3	225	280	476
Total assets less current liabilities	**9,804**	8,960	8,803	8,812	8,421
Interest-bearing borrowings	**(647)**	(542)	(515)	(514)	(751)
Deferred liabilities	**(87)**	(95)	(89)	(57)	(69)
Amounts due to holders of non-controlling interests of a subsidiary	**(54)**	–	–	–	–
Deferred tax liabilities	**(151)**	(135)	(124)	(1,129)	(1,109)
Net assets	**8,865**	8,188	8,075	7,112	6,492
Capital and reserves					
Share capital	**404**	404	404	404	404
Reserves	**8,357**	7,698	7,593	6,631	6,023
Total equity attributable to shareholders of the Company	**8,761**	8,102	7,997	7,035	6,427
Non-controlling interests	**104**	86	78	77	65
Total equity	**8,865**	8,188	8,075	7,112	6,492
	HK$	HK$	HK$	HK$	HK$
Per share					
Earnings	**1.36**	0.45	0.24	1.36	1.19
Dividends attributable to the year/period	**0.37**	0.23	0.32	0.39	0.39
Net asset value	**15.36**	14.18	13.99	12.32	11.25

Note: As a result of early adoption of the amendments to HKAS 12, *Income taxes*, figures for the nine months ended 31 December 2009 and twelve months ended 31 March 2009 have been adjusted to reflect the decrease in accrual of deferred tax liabilities related to certain investment properties of the Group carried at fair value. Details of these changes in accounting policies are disclosed in note 2. Figures for the twelve months ended 31 March 2008 and prior years have not been restated as it would involve delay and expenses out of proportion to the benefits of shareholders.

Group Properties

At 31 December 2010

1 MAJOR PROPERTIES UNDER DEVELOPMENT

Location	Intended use	Stage	Site area	Group's interest (%)
Outside Hong Kong				
Land near Roseville area close by Sacramento California U.S.A.	Commercial and Residential	Development being planned	678 acres	88

2 MAJOR PROPERTIES HELD FOR INVESTMENT AND/OR OWN USE

Location	Lot number	Use	Lease	Group's interest (%)
In Hong Kong				
The Mira Hong Kong 118-130 Nathan Road Tsimshatsui, Kowloon	Sections A and C of KIL6022	Hotel and Commercial	Medium	100
Miramar Tower and Miramar Shopping Centre 1 Kimberley Road Tsimshatsui, Kowloon	Portion of KIL6454	Commercial	Medium	100
6 Knutsford Terrace Tsimshatsui, Kowloon	Portion of KIL7415	Commercial	Medium	100
1/F., Champagne Court 16 Kimberley Road Tsimshatsui, Kowloon	Portion of KIL6022B	Commercial	Medium	100
A3, 13/F., United Mansion Nos. 37E-37H and 37J-37K Jordan Road and Nos. 95-103 Shanghai Street, Kowloon	Portion of KIL6727	Residential	Medium	100
Commercial Unit, Ground Floor Block K, Bedford Gardens 151-173 Tin Hau Temple Road North Point	Portion of IL8430	Commercial	Long	100

2 MAJOR PROPERTIES HELD FOR INVESTMENT AND/OR OWN USE *(CONTINUED)*

Location	Lot number	Use	Lease	Group's interest (%)
In Hong Kong *(continued)*				
1 & 2/F., and Rooftop and the external wall of the 5th to 20th Floors (inclusive) Winner House, 310 King's Road North Point	Portion of IL2366J	Commercial	Long	100
Shops 10, 11 and 12 on Ground Floor Kam Tong Building, 12-14 and 18-34 Mok Cheong Street, 68-70 Pak Tai Street, Tokwawan, Kowloon	Portion of KIL1404A	Commercial	Long	94.4
Units 2101-8 on 21/F., and Vehicle Parking Spaces Nos. 20 and 102 on 1/F Tsuen Wan Industrial Centre 220-248 Texaco Road Tsuen Wan, New Territories	Portion of TW Town 24	Commercial and Car parking	Medium	100
G/F., Fuk Wo Industrial Building, 5 Sheung Hei Street Sanpokong, Kowloon	Portion of NKIL4728	Commercial	Medium	100
Apartment A, 1st level Beach Chalet No. 5 Sea Ranch Lantau Island, New Territories	Portion of 178DD337	Residential	Medium	100
3/F., 47 and 49 Sa Po Road Kowloon City, Kowloon	Portion of NKIL498 B&C	Residential	Medium	100
14 Car Parking Spaces on G/F Chi Lan Yuen 173 Argyle Street, Kowloon	Portion of KIL4194	Car parking	Long	100
Basement, South China Building, No.1 Wyndham Street Hong Kong	Portion of Sections K and L of IL80	Commercial	Long	100
No. 88 Stanley Main Street, Hong Kong	Stanley Inland Lot No.105 & Stanley Lot No.1130	Commercial	Medium	100

2 MAJOR PROPERTIES HELD FOR INVESTMENT AND/OR OWN USE *(CONTINUED)*

Location	Lot number	Use	Lease	Group's interest (%)
Outside Hong Kong				
Flat A, 1/F., Block 2 Crystal Garden Shekou Special Industrial Zone, Shenzhen The People's Republic of China	Portion of 102 in Shekou Special Industrial Zone	Residential	Short	100
Level 4 of Miramar Shopping Arcade in Guang Fat Gardens 496 Huan Shi Dong Lu Guangzhou Guangdong Province The People's Republic of China	–	Commercial	Medium	100
Flat Nos. 403 and 503, Block 1, Jinghua Apartment 24 Jian Quo Men Wai Avenue Chao Yang District, Beijing The People's Republic of China	–	Residential	Long	100
80 Flats and 31 Car Parking Spaces in Shang-Mira Garden Hongqiao Road Shanghai The People's Republic of China	–	Residential and Car parking	Long	100
Level 1, portion of Level 2, portion of Level 3 and Basement Level of the Commercial Podium of Shang-Mira Garden Hongqiao Road Shanghai The People's Republic of China	–	Commercial	Long	51.4

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (the "Meeting") 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, 1 June 2011 at 12:00 noon to transact the following business:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and Auditors of the Company and its subsidiaries for the twelve months ended 31 December 2010.

2. To declare a Final Dividend.

3. To re-elect Directors.

4. To re-appoint Auditors and authorise the Directors to fix their remuneration.

5. To consider as special business and, if thought fit, pass the following resolutions as Ordinary Resolutions:

(A) "**THAT**:

(a) a general mandate be and is hereby generally and unconditionally given to the Directors to exercise during the Relevant Period (as defined in paragraph (b) of this Resolution) all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements or options (including warrants, bonds, debentures, notes and other securities convertible into shares in the Company) which would or might require the exercise of such powers either during or after the Relevant Period, provided that the aggregate nominal amount of the share capital of the Company to be allotted, issued and dealt with pursuant to the general mandate herein, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, or (iii) an issue of shares in the Company upon the exercise of the subscription or conversion rights attaching to any warrants or convertible notes which may be issued by the Company or any of its subsidiaries, or (iv) any scrip dividend pursuant to the Articles of Association of the Company from time to time, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution and the said approval shall be limited accordingly;

(b) for the purposes of this Resolution:

"Relevant Period" means the period from the date of passing of this Resolution until whichever is the earliest of:

(i) the conclusion of the next Annual General Meeting of the Company;

(ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association of the Company or the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) to be held; and

(iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

"Rights Issue" means an offer of shares in the capital of the Company open for a period fixed by the Directors of the Company to holders of shares of the Company whose names appear on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong)."

(B) "**THAT**:

(a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase ordinary shares of HK$0.70 each in the capital of the Company on The Stock Exchange of Hong Kong Limited ("Stock Exchange") or on any other stock exchange on which the securities of the Company may be listed and recognised by the Stock Exchange and the Securities and Futures Commission for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of the shares of the Company to be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution and the said approval shall be limited accordingly; and

(c) for the purposes of this Resolution:

"Relevant Period" shall have the same meaning as assigned to it under Ordinary Resolution 5(A) as set out in the notice convening this Meeting."

(C) "**THAT**:

the general mandate granted to the Directors and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional shares of the Company pursuant to Ordinary Resolution 5(A) as set out in the notice convening this Meeting be and is hereby extended by the addition to the aggregate nominal amount of share capital which may be allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company since the granting of the said general mandate pursuant to the exercise by the Directors of the powers of the Company to repurchase such shares under the authority granted pursuant to Ordinary Resolution 5(B) as set out in the notice convening this Meeting provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution."

By Order of the Board
CHU KWOK SUN
Corporate Secretary

Hong Kong, 14 April 2011

Registered Office:
15/F, Miramar Tower
132 Nathan Road
Tsim Sha Tsui
Kowloon
Hong Kong

Notes:

(1) A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and on a poll, to vote instead of him. A proxy need not be a member. Form of proxy must be lodged at the registered office of the Company at 15/F, Miramar Tower, 132 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the Meeting.

(2) The Register of Members of the Company will be closed from Tuesday, 24 May 2011 to Wednesday, 1 June 2011, both days inclusive, during which period no requests for transfer of shares will be accepted.

(3) In order to qualify for the proposed final dividend and attending the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 23 May 2011.

(4) An explanatory statement containing the information necessary to enable the members to make an informed decision as to whether to vote for or against Ordinary Resolutions 5(A) to 5(C) as set out in this notice will be sent to members of the Company together with the Company's 2010 Annual Report.

Corporate Information

Executive Directors:	@	**Dr the Honourable LEE Shau Kee**, GBM, DBA (Hon), DSSc (Hon), LLD (Hon) *(Chairman)*
	>	**Mr LEE Ka Shing** *(Managing Director)*
	@ >	**Mr Richard TANG Yat Sun**, MBA, BBS, JP
	>	**Mr Colin LAM Ko Yin**, FCILT, FHKIoD
	>	**Mr Eddie LAU Yum Chuen**
	>	**Mr Norman HO Hau Chong**, BA, ACA, FCPA
Non-Executive Directors:	+	**Dr Patrick FUNG Yuk Bun**
	+	**Mr Dominic CHENG Ka On**
		Mr Tony NG
		Mr Howard YEUNG Ping Leung
		Mr Thomas LIANG Cheung Biu, BA, MBA
		Mr Alexander AU Siu Kee, OBE, ACA, FCCA, FCPA, AAIA, FCIB, FHKIB
Independent Non-Executive Directors:	@ +	**Dr David SIN Wai Kin**, DSSc (Hon) *(Vice Chairman)*
	@ +	**Mr WU King Cheong**, BBS, JP
	@ +	**Dr Timpson CHUNG Shui Ming**, GBS, JP, DSSc (Hon)
Group General Manager:		**Mr Romain CHAN Wai Shing**, BSc, MBA
Chief Financial Officer:		**Mr Charles LAU Kin Shing**, DBA, CA, CISA, CMC, FCPA
Corporate Secretary:		**Mr Charles CHU Kwok Sun**
Auditors:		**KPMG** Certified Public Accountants
Principal Bankers:		**The Hongkong & Shanghai Banking Corporation Limited** **Mizuho Corporate Bank, Ltd.**
Share Registrar:		**Computershare Hong Kong Investor Services Limited** **17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong**
Registered Office:		**15/F, Miramar Tower, 132 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong**
Website:		**http://www.miramar-group.com**

+ **members of the Audit Committee, of which Dr Timpson Chung Shui Ming is the Chairman**
@ **members of the Remuneration Committee, of which Dr Lee Shau Kee is the Chairman**
> **members of the General Purpose Committee**

Miramar Hotel and Investment Company, Limited
15/F, Miramar Tower, 132 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong
www.miramar-group.com