

MIRAMAR GROUP

[For Immediate Release]

Miramar Hotel and Investment Company, Limited Announces 2019 Interim Results

[Hong Kong – 15 August 2019] Miramar Hotel and Investment Company, Limited (“Miramar” or “the Group”, HKSE stock code: 71) announced today the unaudited interim results for the six months ended 30 June 2019.

<i>HK\$ Million</i>	<i>For the six months ended 30 June</i>		
	2019	2018	Change
Revenue	1,586	1,600	-0.9%
Underlying profit attributable to shareholders*	420	406	3.4%
Underlying earnings per share (Basic)*	61 cents	59 cents	3.4%
Interim dividend per share	24 cents	24 cents	0%

* *Underlying profit attributable to shareholders and underlying earnings per share (basic) are calculated by excluding the post-tax effects of the investment properties revaluation movements and other non-operating and non-recurring items such as net gain on disposal of a subsidiary*

The Group’s revenue for the six months ended 30 June 2019 (the “Reporting Period”) amounted to approximately HK\$1,586 million, similar to the six months ended 30 June 2018 (the “Last Corresponding Period”). Profit attributable to shareholders for the reporting period decreased by 10.1% to HK\$770 million. Mr. Lai Ho Man, Miramar’s Director of Group Finance, said, “the Group’s property rental business and travel business both registered growth but the net increase in fair value of our investment properties was comparatively lower than the last corresponding period.”

Excluding the net increase of HK\$350 million in the fair value of the investment properties and other net gain from non-core businesses, the underlying profit attributable to shareholders

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increased by 3.4% to approximately HK\$420 million. The underlying earnings per share (basic) have risen by 3.4%, compared to the last corresponding period, to HK\$0.61.

Hotels and Serviced Apartments Business

Revenue from hotels and serviced apartments of the Group decreased by 3.5% to HK\$330 million during the reporting period, compared to the last corresponding period. EBITDA (earnings before interest, taxes, depreciation and amortization) declined 8.6% to HK\$119 million. With the weakening market and the rocketing room supply in Tsim Sha Tsui area, occupancy rates of The Mira Hong Kong and Mira Moon Hotel of the Group remained stable at over 90% in the first six months, whilst the average room rate for available rooms maintained at similar levels as in the last corresponding period.

Property Rental Business

Revenue from property rental business was HK\$462 million, with EBITDA amounting to HK\$409 million, representing steady rises of 1% and 0.6% respectively compared with the last corresponding period.

The Group continued to upgrade the overall image and positioning of its property assets by constantly improving its facilities and service quality. Further to the launch of the Mira Place mobile application in 2017, the Group launched Hong Kong's first new smart parking solution for shopping mall "e-PARKING", which has simplified the parking process and take customer experience to the next level, and won the Silver Award of the Hong Kong ICT Awards 2019 - Smart Mobility Award (Smart Transportation). In addition, Mira Place regularly launched popular promotional activities and contributed to the increase in average footfall and overall tenants' sales.

Food and Beverage Business

The Group's food and beverage business registered revenue of approximately HK\$137 million, while EBITDA was approximately HK\$15 million, representing a drop of 16.3% and an increase of 452.2% respectively over the last corresponding period.

Throughout the reporting period, the management committed to optimise the business portfolio by focusing to improve the restaurants' operational efficiency and to terminate unprofitable outlets. Such measures resulted in a significant improvement in EBITDA during the reporting period. The management will continue to strive for enhancement in service and product quality, and to adopt effective measures to improve performance.

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Travel Business

Revenue from travel business was HK\$657 million, 3.2% up from the last corresponding period. EBITDA recorded approximately HK\$44 million, an increase of 48.1% compared to the same period of last year.

Corporate Finance

As of 30 June 2019, the gearing ratio (calculated as total consolidated borrowings divided by total consolidated shareholders' equity) was merely 0.1% (31 December 2018: 0.1%).

The Group adopts a prudent financial policy, with sufficient funds and credit lines to cope with the uncertain economic environment in the foreseeable future and to carry out business development plans that offer good investment yields. As of 30 June 2019, the total banking facilities obtained amounted to approximately HK\$1.3 billion (31 December 2018: HK\$1.3 billion), of which 0.2% (31 December 2018: 0.2%) was used. On 30 June 2019, consolidated net cash was approximately HK\$5.2 billion (31 December 2018: HK\$4.7 billion), and loans amounted to HK\$2.83 million (31 December 2018: HK\$2.85 million).

Business Outlook

In response to the results in the first half of 2019 and the business outlook of the Group, Mr. Lee Ka Shing, Miramar Group's Chairman and CEO said, "Hong Kong's economy moderated to tepidity in the first half of 2019 under the constriction of the US-China trade tensions. Since the beginning of the second half of the year, uncertainties arising from Hong Kong's social atmosphere and global political economy, which are characterised by great complexity and vicissitude, have further weakened general market sentiments and rendered the Group a more arduous business environment. However, the Group is confident to cope with the challenging economic cycles with the backing of its solid financial position. I will continue to lead the Group's management team vigilantly in perpetrating our goals of improving service quality and strengthening operational efficiency, while at the same time on the lookout for appropriate investment opportunities with a view to increasing shareholder return."

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About Miramar Hotel and Investment Company, Limited

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

For further information, please contact:

Miramar Hotel and Investment Company, Limited

Assistant Marketing Manager – PR & Corporate Communications

Bonny Wang

Tel: (852) 2315 5318

Email: bonny.wang@miramar-group.com

Director of Group Marketing & Corporate Communications

Jess Chan

Tel: (852) 2315 5513

Email: jess.chan@miramar-group.com