

The Directors of Miramar Hotel & Investment Co., Ltd. (the “Company”) are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2002. These interim results have not been audited but have been reviewed by both the Company’s auditors and the Company’s audit committee. The independent review report of the auditors is attached.

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2002 - UNAUDITED**

	Note	2002 HK\$'000	2001 HK\$'000
Turnover	2	732,178	647,303
Other revenue	3	11,760	9,851
Other net income	4	1,654	4
Tour and ticketing costs		(128,886)	(149,908)
Cost of properties under development		(194,068)	(21,254)
Cost of inventories		(55,540)	(50,793)
Staff costs		(102,955)	(105,948)
Operating and other expenses		(81,409)	(70,702)
Utilities, repairs & maintenance and rent		(43,532)	(43,722)
Provision for diminution in value of interest in associates		(83)	(34,372)
Depreciation		(27,204)	(27,624)
Loss on disposal of fixed assets		(2,692)	(10,238)
Profit from operations		109,223	142,597
Finance costs		(23,440)	(43,804)
Share of profits less losses of associates		2,476	2,501
Profit from ordinary activities before taxation		88,259	101,294
Taxation	5	(4,987)	(19,533)
Profit from ordinary activities after taxation		83,272	81,761
Minority interests		5,557	(1,262)
Profit attributable to shareholders		88,829	80,499
Interim dividend declared after the interim period end	6	75,040	75,040
Basic earnings per share	7	15.39¢	13.95¢
Interim dividend per share		13.00¢	13.00¢

**CONSOLIDATED BALANCE SHEET
AT 30 SEPTEMBER 2002 - UNAUDITED**

		At 30 September 2002 HK\$'000	At 31 March 2002 HK\$'000
Non-current assets			
Fixed assets	8	7,878,793	8,647,560
Other non-current assets		415,097	535,298
		<u>8,293,890</u>	<u>9,182,858</u>
Current assets			
Inventories		101,003	115,840
Trade and other receivables	9	131,990	160,205
Tax recoverable		14,625	-
Cash and bank balances		163,858	120,512
		<u>411,476</u>	<u>396,557</u>
Current liabilities			
Bank overdrafts		(809)	(3,489)
Trade and other payables	10	(153,346)	(166,627)
Current portion of unsecured interest-bearing bank loans		(83,000)	(75,000)
Sales and rental deposits received		(84,928)	(69,567)
Tax payable		(31,115)	(37,712)
		<u>(353,198)</u>	<u>(352,395)</u>
Net current assets		<u>58,278</u>	<u>44,162</u>
Total assets less current liabilities		<u>8,352,168</u>	<u>9,227,020</u>
Non-current liabilities			
Unsecured interest-bearing borrowings		(1,174,000)	(1,305,500)
Secured interest-bearing borrowings		(141,509)	(237,893)
Deferred liabilities		(45,424)	(44,409)
Deferred taxation		(10,000)	(10,000)
		<u>(1,370,933)</u>	<u>(1,597,802)</u>
Minority interests		<u>(201,425)</u>	<u>(199,272)</u>
Net assets		<u>6,779,810</u>	<u>7,429,946</u>
Capital and reserves			
Share capital		404,062	404,062
Reserves	11	6,375,748	7,025,884
		<u>6,779,810</u>	<u>7,429,946</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2002 - UNAUDITED**

	2002	2001
	HK\$'000	HK\$'000
Total equity at 1 April	7,429,946	7,381,054
Deficit on revaluation of hotel and investment properties	(623,000)	–
Surplus /(deficits) on revaluation of non-trading securities	1,345	(6,455)
Exchange differences on translation of financial statements of overseas subsidiaries	513	1,200
Net losses not recognised in the consolidated profit and loss account	(621,142)	(5,255)
Net profit for the period	88,829	80,499
Revaluation surplus transferred to the profit and loss account upon disposal of investment properties	(2,377)	(356)
Dividends approved and paid during the period	(115,446)	(109,674)
Total equity at 30 September	<u>6,779,810</u>	<u>7,346,268</u>

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2002 - UNAUDITED**

	2002	2001
	HK\$'000	HK\$'000
		(restated)
Net cash inflow from operating activities	250,286	209,315
Net cash inflow/(outflow) from investment activities	123,507	(10,893)
Net cash outflow from financing activities	(327,767)	(64,705)
	<hr/>	<hr/>
Increase in cash and cash equivalents	46,026	133,717
Cash and cash equivalents at 1 April	117,023	140,481
	<hr/>	<hr/>
Cash and cash equivalents at 30 September	163,049	274,198
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Analysis of the balances of cash and cash equivalents		
Cash and bank balances	163,858	275,490
Bank overdrafts	(809)	(1,292)
	<hr/>	<hr/>
	163,049	274,198
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Notes:

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Statement of Auditing Standards 700 “Engagements to review interim financial reports”, issued by the Hong Kong Society of Accountants (“HKSA”). KPMG’s independent review report to the board of directors is included on page 20.

The interim financial report has been prepared in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Statement of Standard Accounting Practice (“SSAP”) 25 “Interim financial reporting” issued by the HKSA.

The financial information relating to the financial year ended 31 March 2002 included in the interim financial report does not constitute the Company’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 March 2002 are available from the Company’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 9 July 2002.

The same accounting policies adopted in the 2002 annual financial statements have been applied to the interim financial report except for the adoption of the following SSAPs which are effective for accounting periods commencing on or after 1 January 2002:

SSAP 1 (revised)	“Presentation of financial statements”
SSAP 11 (revised)	“Foreign currency translation”
SSAP 15 (revised)	“Cash flow statements”
SSAP 25 (revised)	“Interim financial reporting”
SSAP 33	“Discontinuing operations”
SSAP 34	“Employee benefits”

The adoption of the above SSAPs has no material effect on the prior year’s financial statements except as disclosed under notes 1(b) and 1(c) below.

The notes on the interim financial report include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2002 annual financial statements.

(b) SSAP 1 (revised) “Presentation of financial statements”

The consolidated statement of recognised gains and losses is replaced by the consolidated statement of changes in equity. Comparative figures for the consolidated statement of changes in equity have been prepared accordingly.

(c) SSAP 15 (revised) “Cash flow statements”

In prior years, for the purpose of the consolidated cash flow statement, cash flows of foreign subsidiaries were translated at the rates of exchange ruling at the balance sheet date. Cash and cash equivalents included bank overdrafts and advances from banks repayable within three months from the date of advance. With effect from 1 January 2002, in order to comply with SSAP 15 (revised) “Cash flow statements” issued by the HKSA, cash flows of foreign subsidiaries are translated at the rates of exchange ruling at the dates of cash flows, cash and cash equivalents no longer include advances from banks other than overdrafts which are repayable on demand and which form an integral part of the Group’s cash management and the format of cash flow statement has been reclassified into operating, investing and financing activities. Comparative figures for the consolidated cash flow statement have been adjusted accordingly.

2. SEGMENTAL INFORMATION

The principal activities of the Group are property investment, property development and sales, hotel ownership and management, food and beverage operation and travel operation.

Segmental information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

The Group's turnover and contribution to profit from operations analysed by principal activity and by geographical location are as follows:

Business Segments

For the six months ended 30 September 2002

	Property investment HK\$'000	Property development & sales HK\$'000	Hotel ownership and management HK\$'000	Food and beverage operation HK\$'000	Travel operation HK\$'000	Inter-segment elimination HK\$'000	Consolidated HK\$'000
Revenue from							
external customers	178,040	201,788	141,819	58,461	152,070	-	732,178
Inter-segment revenue	5,927	-	2,487	-	370	(8,784)	-
Other revenue from							
external customers	3,157	19	2,941	499	326	-	6,942
Total	187,124	201,807	147,247	58,960	152,766	(8,784)	739,120
Segment results	133,201	(44,099)	51,459	(3,491)	(1,797)		135,273
Inter-segment elimination	(4,089)	-	(855)	-	4		(4,940)
Contribution to profit from operations	129,112	(44,099)	50,604	(3,491)	(1,793)		130,333
Provision for diminution in value of interest in associates							(83)
Loss on disposal of fixed assets							(2,692)
Unallocated operating income and expenses							(18,335)
Profit from operations							109,223

For the six months ended 30 September 2001

	Property investment	Property development & sales	Hotel ownership and management	Food and beverage operation	Travel operation	Inter-segment elimination	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from							
external customers	189,110	80,293	140,538	64,120	173,242	–	647,303
Inter-segment revenue	5,853	–	2,432	–	248	(8,533)	–
Other revenue from							
external customers	2,181	14	1,951	591	265	–	5,002
Total	197,144	80,307	144,921	64,711	173,755	(8,533)	652,305
Segment results	138,627	26,215	52,777	(1,691)	(1,383)		214,545
Inter-segment elimination	(3,997)	–	(871)	–	2		(4,866)
Contribution to profit							
from operations	134,630	26,215	51,906	(1,691)	(1,381)		209,679
Provision for diminution in value of interest in associates							(34,372)
Loss on disposal of fixed assets							(10,238)
Unallocated operating income and expenses							(22,472)
Profit from operations							142,597

Geographical Segments

For the six month ended 30 September

Revenue from external customers by geographical location

	2002	2001
	HK\$'000	HK\$'000
Hong Kong	504,374	542,464
The People's Republic of China	43,691	37,941
United States	184,113	66,898
	732,178	647,303

3. OTHER REVENUE

	For the six months ended	
	30 September	
	2002	2001
	HK\$'000	HK\$'000
Interest income	2,678	1,815
Management fee income	1,650	1,800
Forfeited deposits	428	509
Sundry income	7,004	5,727
	<hr/>	<hr/>
	11,760	9,851
	<hr/> <hr/>	<hr/> <hr/>

4. OTHER NET INCOME

	For the six months ended	
	30 September	
	2002	2001
	HK\$'000	HK\$'000
Gain on disposal of investment properties	1,648	—
Gain on disposal of an associate	6	4
	<hr/>	<hr/>
	1,654	4
	<hr/> <hr/>	<hr/> <hr/>

5. TAXATION

The charge/(credit) comprises:

	For the six months ended 30 September	
	2002	2001
	HK\$'000	HK\$'000
Provision for Hong Kong Profits Tax for the period	19,365	17,313
Under/(over)-provision in respect of prior years	43	(31)
	<u>19,408</u>	<u>17,282</u>
Overseas taxation	(14,625)	4,827
Deferred taxation	–	(3,000)
	<u>4,783</u>	<u>19,109</u>
Share of associates' taxation		
- Hong Kong Profits Tax	40	115
- Overseas taxation	164	309
	<u>4,987</u>	<u>19,533</u>

The provision for Hong Kong Profits Tax is calculated at 16% (2001: 16%) of the estimated assessable profits for the six months ended 30 September 2002. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

6. DIVIDENDS

(a) Dividends attributable to the interim period

	For the six months ended 30 September	
	2002	2001
	HK\$'000	HK\$'000
Interim dividend declared after the interim period end of 13 cents per share (2001: 13 cents per share)	<u>75,040</u>	<u>75,040</u>

The interim dividend declared after the interim period end has not been recognised as a liability at the interim period end date.

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

	At 30 September 2002 HK\$'000	At 31 March 2002 HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the interim period/year, of 20 cents per share (at 31 March 2002: 19 cents per share)	115,446	109,674

7. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to ordinary shareholders of HK\$88,829,000 (2001: HK\$80,499,000) and 577,231,252 shares (2001: 577,231,252 shares) in issue during the period.

8. FIXED ASSETS

Hotel and investment properties of the Group were revalued at 30 September 2002 by the directors with reference to a professional valuation that was carried out at 31 October 2002. Revaluation deficits of \$118 million and \$505 million have been transferred to the capital reserve and the investment properties revaluation reserve respectively.

9. TRADE AND OTHER RECEIVABLES

	At 30 September 2002 HK\$'000	At 31 March 2002 HK\$'000
Trade receivables	35,582	49,606
Other receivables	96,408	110,599
	131,990	160,205

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

Included in trade and other debtors are trade receivables (net of specific provisions for bad and doubtful debts) with the following ageing analysis:

	At 30 September 2002 HK\$'000	At 31 March 2002 HK\$'000
0 to 3 months	33,277	46,683
More than 3 months	2,305	2,923
	<u>35,582</u>	<u>49,606</u>

The Group has a defined credit policy. The general credit terms allowed range from 0 to 60 days.

10. TRADE AND OTHER PAYABLES

	At 30 September 2002 HK\$'000	At 31 March 2002 HK\$'000
Trade payables	42,921	43,868
Other payables	110,425	122,759
	<u>153,346</u>	<u>166,627</u>

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

Included in trade and other payables are trade creditors with the following ageing analysis:

	At 30 September 2002 HK\$'000	At 31 March 2002 HK\$'000
Due within 3 months or on demand	40,512	41,202
Due after 3 months but within 6 months	2,409	2,666
	<u>42,921</u>	<u>43,868</u>

11. RESERVES

	Share premium HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	General reserve HK\$'000	Investment properties revaluation reserve HK\$'000	Non-trading securities revaluation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 April 2002	287,628	1,830,165	(1,317)	304,827	4,314,848	(55,510)	345,243	7,025,884
Dividends approved in respect of the previous financial year (note 6(b))	-	-	-	-	-	-	(115,446)	(115,446)
Exchange differences on translation of financial statements of overseas subsidiaries	-	-	513	-	-	-	-	513
Revaluation deficit	-	(118,000)	-	-	(505,000)	-	-	(623,000)
Transfer to profit and loss account upon disposal of investment properties	-	-	-	-	(2,377)	-	-	(2,377)
Non-trading securities revaluation surplus	-	-	-	-	-	1,345	-	1,345
Profit for the period	-	-	-	-	-	-	88,829	88,829
At 30 September 2002	<u>287,628</u>	<u>1,712,165</u>	<u>(804)</u>	<u>304,827</u>	<u>3,807,471</u>	<u>(54,165)</u>	<u>318,626</u>	<u>6,375,748</u>

12. COMPARATIVE FIGURES

Certain comparative figures have been adjusted as a result of change in accounting policy as set out in note 1(c). In addition, certain comparative figures have been reclassified to conform with the current period's presentation as the directors considered that it is more appropriate to classify income from sale of properties under development as part of the Group's turnover.

INTERIM DIVIDEND

The Directors declare the payment of an interim dividend of 13 cents per share in respect of the financial year ending 31 March 2003 to shareholders listed on the Register of Members on 17 January 2003. Dividend warrants will be despatched by mail to shareholders on or about 22 January 2003.

CLOSING OF THE REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 13 January 2003 to 17 January 2003, both dates inclusive. In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Registrar of the Company, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:00 p.m. on Friday, 10 January 2003.

REVIEW OF OPERATIONS AND PROSPECTS

The unaudited profit attributable to shareholders for the six months ended 30 September 2002 was HK\$88,829,000, an increase of 10.3% over the same period of the previous year.

Business Overview

The Group recorded continuous profit growth during the period under review, albeit the continuing sluggish market sentiment. Faced with the difficult operating environment, the Group managed to react to the changing market conditions with effective focus on deployment of resources.

Property Business

Owing to the downward pressure on rental rates in the Hong Kong property market, the Group's entire property portfolio recorded a slight drop in rental income. During the period under review, the average occupancy rate experienced a drop of about 5%. Nevertheless, the Group has taken aggressive leasing strategies in attracting prospective tenants as well as retaining existing tenants. As a result, the occupancy rate of both Miramar Shopping Centre and Miramar Tower has improved to above 90% level. As well, shopping space in Hotel Miramar Shopping Arcade were almost fully leased.

In Shanghai, the sales and leasing performance of Shang-Mira Garden was satisfactory. Apart from those units being used as Miramar Serviced Apartment, all residential units were sold. For the leasing business, all retail shops are leased out whilst the occupancy rate of commercial offices reached a level above 80%.

With respect to the land situated in Placer County, California, U.S.A., the golf course and its surrounding low-density residential lots were sold during the period under review. These transactions provided considerable improvement on the overall cash position of the Group.

Hotel Business

As evidenced by the gradual increase in the number of inbound travellers from North America and Europe, the negative impact of the US terrorist attack last year is lessening. Together with the growth of outbound travel industry in the Mainland, hotels in Hong Kong had benefited in occupancy, but room rate was still under some pressure. During the period under review, with its continuing effort on developing new market segments, Hotel Miramar achieved a satisfactory increase in the number of room guests from the Mainland and Taiwan. When compared to the same period last year, Hotel Miramar reported a rise of 3% in its occupancy rate, but registered a slight drop in average room rate. On the whole, the total room revenue improved over same period of last year. Despite the challenging operating environment, the Hotel's food and beverage operation was able to maintain its turnover as compared with that of last year. It mainly resulted from its continuous effort in developing a wide variety of cuisine and enhancing food quality, together with the support of effective promotional campaigns.

For the hotel operations in Mainland China, Nan Hai Hotel has adopted flexible pricing strategies and focused on increasing long-staying commercial guests in order to maintain the room revenue. However, Nan Hai Hotel registered a moderate drop in revenue when compared with the same period last year due to the fierce competition from new hotels in the area. Miramar Apartment in Shanghai has continued to achieve satisfactory growth in both occupancy and profit that was contributed by its strong client base and good services.

With regards to the hotel management business, the Group is now managing a total of ten hotels, five in Hong Kong and five in the Mainland. The Group will continue to pursue opportunities to develop its hotel management business in the Mainland.

Food and Beverage Operations

The Group's food and beverage business was still adversely affected by the continuing sluggish economy in the territory and recorded a decrease of 9% in turnover. To counteract the difficult operating environment, the Group has customised marketing strategies to strengthen the competitiveness of individual restaurants. Overall its strategy is to continue its focus on more choices of specialty dishes, better food quality and higher standard of service in order to broaden the customer base. In the Mainland, the food and beverage operations performed steadily and maintained its operating profit through stringent cost-control measures.

Travel Operations

The weakening economy and the decline in consumer spending continued to dampen the propensity for outbound travel in Hong Kong, together with the changing market demand, the Group's travel operations experienced a significant drop in the number of outbound travellers during the period under review. Among all destinations, the long haul routes to North America and Europe were severely affected. In response to the adverse situation, the Group has deployed its resources to promote potentially profitable travel routes and to position all major operating units of travel business. In addition, strategic alliances with various business partners were formed to aggressively build up business synergy. The Group will implement several large-scale promotion programs and it is expected to attain encouraging result.

Prospects

The Group will continue to strengthen its core businesses by adjusting its business strategies and taking responsive actions to the changing market conditions. The Board of Directors is confident that barring any unforeseen circumstance, the Group's businesses will remain stable in the second half of the year.

CORPORATE FINANCE

The Group maintains its conservative financial policy, with high liquidity and low gearing. Gearing, expressed as a percentage of consolidated net borrowings to the total of consolidated net borrowings and consolidated net assets, fell to 15% (at 31 March 2002: 16%) in the year.

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.

At 30 September 2002, total available facilities amounted to HK\$2.5 billion (at 31 March 2002: HK\$2.7 billion) and 56% (at 31 March 2002: 61%) were drawn down. At 30 September 2002, consolidated net borrowings were HK\$1.2 billion (at 31 March 2002: HK\$1.4 billion), of which HK\$0.1 billion was secured borrowings (at 31 March 2002: HK\$0.2 billion).

DIRECTORS' INTERESTS IN SHARES

At 30 September 2002, the beneficial interests of the directors and their associates in the share capital of the Company as recorded in the register maintained pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance were as follows:

Name of director	Personal interests	Family interests	Corporate interests	Other interests
Dr HO Tim	1,628,000	5,935,000	–	–
Dr LEE Chau Kee	–	–	–	252,105,250 <i>(note 1)</i>
Dr David SIN Wai Kin	4,158,000	–	–	–
Mr WOO Kim Phoe	11,426,400	–	–	–
The Honourable LEE Quo Wei	5,693,760	1,080,000	–	6,720,000 <i>(note 2)</i>
Mr Patrick FUNG Yuk Bun	–	–	–	8,426,710 <i>(note 3)</i>
Mr Dominic CHENG Ka On	7,774,640	4,000	–	–
Mr Richard TANG Yat Sun	125,000	–	11,241,900 <i>(note 4)</i>	–
Mr Stephen HO Tze Tung	5,000	33,000	–	–

Notes :

- (1) Dr Lee Chau Kee beneficially owned all the issued shares in Rimmer (Cayman) Limited and Hopkins (Cayman) Limited. These 252,105,250 shares are duplicated in the interests described in notes 1 to 3 under Substantial Shareholders' Interests In Shares.
- (2) The Honourable Lee Quo Wei had the following non-beneficial interests: The Honourable Lee Quo Wei and his spouse, Mrs Lee, were members of the Board of Trustees of a charitable foundation which held 6,180,000 shares of the Company, and Mrs Lee was one of the two trustees of two trusts, which together held 540,000 shares of the Company.
- (3) All these shares were held by a unit trust of which Mr 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.

At the same date, the beneficial interests of the directors and their associates in the share capital of subsidiaries were as follows :

Name of director	Name of subsidiary	Ordinary shares held	Percentage of total issued shares
Dr LEE Shau Kee	Fook Po Enterprises Co Ltd	270	9.8%
Dr David SIN Wai Kin	Fook Po Enterprises Co Ltd	225	8.2%

Apart from the foregoing, at no time during the period 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' INTERESTS IN SHARES

The Company has been notified of the following interests in the Company's issued shares at 30 September 2002, amounting to 10% or more of the shares in issue:

Name of corporation	Ordinary shares held	Percentage of total issued shares
Rimmer (Cayman) Limited ("Rimmer")	252,105,250 <i>(note 1)</i>	43.7%
Hopkins (Cayman) Limited ("Hopkins")	252,105,250 <i>(note 1)</i>	43.7%
Henderson Development Limited ("Henderson Development")	252,105,250 <i>(note 2)</i>	43.7%
Henderson Land Development Company Limited ("Henderson Land")	252,105,250 <i>(note 2)</i>	43.7%
Kingslee S.A.	252,105,250 <i>(note 3)</i>	43.7%
Henderson Investment Limited ("Henderson Investment")	252,105,250 <i>(note 3)</i>	43.7%
Aynbury Investments Limited ("Aynbury")	252,105,250 <i>(note 3)</i>	43.7%
Higgins Holdings Limited ("Higgins")	100,612,750 <i>(note 3)</i>	17.4%
Multiglade Holdings Limited ("Multiglade")	79,121,500 <i>(note 3)</i>	13.7%
Threadwell Limited ("Threadwell")	72,371,000 <i>(note 3)</i>	12.5%

Notes :

- (1) Rimmer as trustee of a discretionary trust held a majority of units in a unit trust (“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 252,105,250 shares are duplicated in the interests described in notes 2 and 3.
- (2) Henderson Development had a controlling interest in Henderson Land which was the holding company of Kingslee S.A. These 252,105,250 shares are duplicated in the interests described in notes 1 and 3.
- (3) Kingslee S.A., a subsidiary of Henderson Land, was the holding company of Henderson Investment. The 252,105,250 shares were beneficially owned by some of the subsidiaries of Henderson Investment. Higgins, Multiglade and Threadwell were subsidiaries of Aynbury. Aynbury was a subsidiary of Henderson Investment. These 252,105,250 shares represent the shares described in notes 1 and 2.

COMPLIANCE WITH THE CODE OF BEST PRACTICE

The Directors of the Company are not aware of any information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the interim report, in compliance with the Code of Best Practice as set out in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited.

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

During the period, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

By Order of the Board
LEE SHAU KEE
Chairman

Hong Kong, 19 December 2002



INDEPENDENT REVIEW REPORT TO THE BOARD OF DIRECTORS OF MIRAMAR HOTEL & INVESTMENT CO., LTD.

Introduction

We have been instructed by the Company to review the interim financial report set out on pages 1 to 13.

Directors' responsibilities

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Statement of Standard Accounting Practice 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants. The interim financial report is the responsibility of, and has been approved by, the directors.

Review work performed

We conducted our review in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the Hong Kong Society of Accountants. A review consists principally of making enquiries of group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

Review conclusion

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 September 2002.

KPMG
Certified Public Accountants

Hong Kong, 19 December 2002