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**MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED**  
(incorporated in Hong Kong with limited liability)  
(Stock code: 71)

**REVISION OF CAP FOR EXISTING CONTINUING  
CONNECTED TRANSACTIONS**

Reference is made to the Company's announcement dated 1 March 2007 in respect of the Tenancy Agreement, the First Licence Agreement and the Second Licence Agreement entered into between the Group and HREAL which constitute continuing connected transactions of the Company.

The aggregate annual rental and fees payable by HREAL to the Group under the Agreements for the financial year ending 31 March 2008 is expected to exceed the annual cap, as a result of operational needs. The Company has decided to revise the annual cap.

Pursuant to Rule 14A.36 of the Listing Rules, the Company is required to re-comply with Rules 14A.35(3) and (4) of the Listing Rules. As each of the applicable percentage ratios in respect of the revised annual cap is less than 2.5%, the Transactions are exempt from the independent shareholders' approval requirements under Rule 14A.34 of the Listing Rules but will be subject to the reporting, announcement and annual review requirements set out in Rules 14A.37 to 14A.40 and 14A.45 to 14A.47 of the Listing Rules.

**BACKGROUND**

Reference is made to the Company's announcement dated 1 March 2007 (the "Announcement") in respect of the Tenancy Agreement, the First Licence Agreement and the Second Licence Agreement.

It was announced in the Announcement, inter alia, that the transactions under the Agreements for the financial year ending 31 March 2008 would be subject to an annual cap of HK\$6,000,000.00, which was determined with reference to the aggregate annual rental and fees payable by HREAL to the Group under the Agreements.

The aggregate annual rental and fees paid by HREAL to the Group under the Agreements for the financial year ended 31 March 2007 and the period from 1 April 2007 to 31 December 2007 were HK\$458,143.00 and HK\$5,363,202.06 respectively.

## REVISION OF ANNUAL CAP

As a result of HREAL's request to upgrade the chilled water supply in April 2007, HREAL was required to pay extra chilled water supply charge for the normal air-conditioning supply to Shahdan. The annual cap of HK\$6,000,000.00 for the financial year ending 31 March 2008 is expected to be exceeded. Accordingly, the Company has decided to revise the annual cap for the financial year ending 31 March 2008.

The aggregate annual rental and fees payable by HREAL to the Group under the Agreements for the financial year ending 31 March 2008 will be subject to the following caps:

	<b>Year ending 31 March 2008</b> <i>HK\$</i>
Tenancy Agreement	5,100,000.00
First Licence Agreement	420,000.00
Second Licence Agreement	800,000.00
<b>Total</b>	<b>6,320,000.00</b>

The revised annual cap for the year ended 31 March 2008 is determined by reference to (i) the agreed rent, management fees, air-conditioning charges and promotion contribution, vetting fee in respect of decoration plans and debris disposal fee under the Tenancy Agreement; (ii) the agreed licence fees under the First Licence Agreement and the Second Licence Agreement; and (iii) the increased air-conditioning charges in respect of Premises I and Premises II for the six months ended 31 December 2007 and the estimated increase in the air-conditioning fees for the three months ending 31 March 2008.

The Directors (including independent non-executive Directors) are of the view that the revised annual cap is under normal commercial terms and is fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole, and confirm that all the terms and conditions of the Agreements remain substantially unchanged.

## REQUIREMENTS OF THE LISTING RULES

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 Tenancy Agreement, the First Licence Agreement and the Second Licence Agreement continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the annual cap as disclosed in the Announcement is expected to be exceeded, pursuant to Rule 14A.36 of the Listing Rules, the Company is required to re-comply with Rules 14A.35(3) and (4) of the Listing Rules. As each of the applicable percentage ratios in respect of the revised annual cap is less than 2.5%, the Transactions are exempt from the independent shareholders' approval requirements under Rule 14A.34 of the Listing Rules but will be subject to the reporting, announcement and annual review requirements set out in Rules 14A.37 to 14A.40 and 14A.45 to 14A.47 of the Listing Rules.

## **GENERAL**

The Company's principal activities consist of hotel business, food and beverage operations, travel operation and property business.

The principal business of Shahdan is property rental and of Contender is hotel operation and property rental.

The principal activities of HREAL are provision of financial, management and agency services.

## **DEFINITIONS**

Unless otherwise defined, the following expressions shall have the following meanings in this announcement:

“Agreements”	collectively, the Tenancy Agreement, the First Licence Agreement and the Second Licence Agreement
“Board”	the board of Directors
“Company”	Miramar Hotel and Investment Company, Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Contender”	Contender Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Directors”	the directors of the Company
“First Licence Agreement”	the licence agreement entered into between Shahdan as licensor and HREAL as licensee in respect of Signage A dated 1 March 2007
“Group”	the Company and its subsidiaries
“Henderson Land”	Henderson Land Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“HREAL”	Henderson Real Estate Agency Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Henderson Land
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Premises I”	Shop 503C, 5/F., Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
“Premises II”	Office units 609-12, 6/F., Miramar Tower, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
“Second Licence Agreement”	the licence agreement entered into between Contender as licensor and HREAL as licensee in respect of Signage B dated 1 March 2007
“Shahdan”	Shahdan Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Signage A”	Signage on the external wall facing Nathan Road of Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
“Signage B”	Signage on the external wall facing Kimberly Road of Hotel Miramar Shopping Arcade, 118-130 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement entered into between Shahdan as landlord and HREAL as tenant in respect of Premises I and Premises II on 1 March 2007
“Transactions”	collectively, the transactions contemplated under the Tenancy Agreement entered into between Shahdan and HREAL on 1 March 2007, the First Licence Agreement entered into between Shahdan and HREAL on 1 March 2007 and the Second Licence Agreement entered into between Contender and HREAL on 1 March 2007 which are treated as if they were one transaction pursuant to Rule 14A.25 of the Listing Rules

By Order of the Board  
 Chu Kwok Sun  
 Corporate Secretary

Hong Kong, 30 January 2008

*As at the date of this announcement, (i) the executive Directors are Dr. Lee Shau Kee, Mr. Lee Ka Shing, Mr. Richard Tang Yat Sun, Mr. Colin Lam Ko Yin, Mr. Norman Ho Hau Chong, Mr. Eddie Lau Yum Chuen and Mr. Peter Yu Tat Kong; (ii) the non-executive Directors are Mr. Woo Kim Phoe, Dr. Patrick Fung Yuk Bun, Mr. Dominic Cheng Ka On, Mr. Tony Ng, Mr. Howard Yeung Ping Leung, Mr. Thomas Liang Cheung Biu and Mr. Alexander Au Siu Kee; (iii) the independent non-executive Directors are Dr. David Sin Wai Kin, Mr. Wu King Cheong and Mr. Timpson Chung Shui Ming.*