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MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED

(incorporated in Hong Kong with limited liability)

(Stock code: 71)

- 1. CONTINUING CONNECTED TRANSACTIONS IN RESPECT OF TENANCY AGREEMENT AND LICENCE AGREEMENTS**
- 2. CONNECTED TRANSACTION IN RESPECT OF CONSTRUCTION WORK**

The Board announces that the Group entered into the following agreements on 15 August 2008 which constitute continuing connected transactions of the Company:

- (1) the Tenancy Agreement entered into between Shahdan, a wholly-owned subsidiary of the Company, as landlord and HREAL as tenant;
- (2) the First Licence Agreement entered into between Shahdan as licensor and HREAL as licensee; and
- (3) the Second Licence Agreement entered into between Shahdan as licensor and HREAL as licensee.

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 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. The Construction constitutes a connected transaction of the Company.

Since the relevant percentage ratios for the Continuing Connected Transactions calculated on an annual basis by reference to the aggregate sum of rents, fees and charges payable by HREAL to the Group is more than 0.1%, but all the relevant percentage ratios are less than 2.5%, in accordance with Rule 14A.34 of the Listing Rules, the Continuing Connected Transactions are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirement.

As the relevant percentage ratio for the Construction is less than 2.5%, the Construction is only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirements.

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 28 February 2008 in relation to,

inter alia, (i) the tenancy agreement dated 28 February 2008 entered into between Shahdan as landlord and HREAL as tenant in respect of the lease of Shop 503C, 5/F, Miramar Shopping Centre for a term of one year commencing from 5 February 2008 to 4 February 2009; (ii) the tenancy agreement dated 28 February 2008 entered into between Shahdan as landlord and HREAL as tenant in respect of Office Units 609-12, 6/F, Miramar Tower for a term of one year commencing from 5 February 2008 to 4 February 2009; (iii) the licence agreement dated 28 February 2008 entered into between Shahdan as licensor and HREAL as licensee in respect of Signage A on the external wall facing Nathan Road of Miramar Shopping Centre for a term of one year commencing from 1 March 2008 to 28 February 2009; (iv) the licence agreement dated 28 February 2008 entered into between Contender Limited, a wholly-owned subsidiary of the Company, as licensor and HREAL as licensee in respect of Signage B on the external wall facing Kimberley Road of Hotel Miramar Shopping Arcade for a term of one year commencing from 1 March 2008 to 28 February 2009; and (v) the lease dated 23 December 2005 entered into between Shahdan as landlord and Citistore Properties Limited, a wholly-owned subsidiary of Henderson Land, as tenant in respect of Shop 2004, 2/F, Miramar Shopping Centre for a term of 3 years commencing from 3 October 2005 to 2 October 2008 (collectively the “**Existing Agreements**”) which constitute continuing connected transactions of the Company.

The Board announces that Shahdan and HREAL entered into the Agreements on 15 August 2008, particulars of which are set out below.

1. DETAILS OF THE TENANCY AGREEMENT

Signing date:	15 August 2008
Parties:	Shahdan as landlord HREAL as tenant
Premises:	Shop 3013, 3/F, Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
Term:	Three years commencing from the Lease Commencement Date
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 Landlord’s Standard Provisions (as set out in the section headed “Connected Transaction” below); (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 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 the Lease Commencement Date 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

2. DETAILS OF THE FIRST LICENCE AGREEMENT

Signing date: 15 August 2008

Parties: Shahdan as licensor
HREAL as licensee

Podium Roof: Portion of Podium Roof, 3/F, Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong

Term: Three years commencing from the Licence Commencement Date

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 First 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 the Licence Commencement Date 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

3. DETAILS OF THE SECOND LICENCE AGREEMENT

Signing date:	15 August 2008
Parties:	Shahdan as licensor HREAL as licensee
Fan Room:	Fan Room, 3/F, Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
Term:	Three years commencing from the Licence Commencement Date
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 Second 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 the Licence Commencement Date during which HREAL is not obliged to pay licence fee but has to pay for the Government rates
User:	Restricted to legal usage only

4. REASONS FOR THE TRANSACTIONS

Miramar Shopping Centre is held by the Group as investment for rental purposes.

The terms of the Continuing Connected Transactions were determined after arm's length negotiations between the parties and after making reference to market rental of the Premises and market licence fees of the Podium Roof and Fan Room endorsed by a valuation as at 12 June 2008 prepared by Savills Valuation and Professional Services Limited, an independent valuer, on the assumption that the Premises, Podium Roof and Fan Room are vacant to let and in a satisfactory and tenantable condition with the benefit of the Standard Landlord's Provisions found in Miramar Shopping Centre.

Since certain renovation works had to be done at the Premises, the Podium Roof and the Fan Room during the past few weeks for the purposes of the lease/licences to HREAL, the parties have commercially agreed under the Agreements that the term of the lease and the licences should commence on 16 June 2008 with the first two months being a rent-free period and licence fee-free period, and the rent and the licence fees should be payable by HREAL starting from 16 August 2008.

The Directors (including the independent non-executive Directors) are of the opinion that the

terms of the Continuing Connected Transactions are entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

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

The aggregate annual rental, licence fees and other charges payable by HREAL to the Group under the Agreements for each of the financial years ending 31 March 2012 will be subject to the cap amount of HK\$7,311,000, HK\$11,170,000, HK\$11,170,000 and HK\$2,336,000 respectively. The cap amounts are determined with reference to the annual rent, management fees, licence fees, air-conditioning charges, decoration plans vetting fees, debris disposal fees, promotion contribution and other charges under the Agreements.

The breakdown of the cap amounts for the aggregate rental, licence fees and other charges payable by HREAL to the Group under the Agreements would be as follows:

	For the period from 16 June 2008 to 31 March 2009 <i>HK\$</i>	Year ending 31 March 2010 <i>HK\$</i>	Year ending 31 March 2011 <i>HK\$</i>	For the period from 1 April 2011 to 31 March 2012 <i>HK\$</i>
Tenancy Agreement	5,310,000	8,100,000	8,100,000	1,700,000
First Licence Agreement	1,700,000	2,600,000	2,600,000	540,000
Second Licence Agreement	301,000	470,000	470,000	96,000
Total	<u>7,311,000</u>	<u>11,170,000</u>	<u>11,170,000</u>	<u>2,336,000</u>

Since the relevant percentage ratios for the Continuing Connected Transactions calculated on an annual basis by reference to the aggregate sum of rents, licence fees and other charges payable by HREAL to the Group, even when aggregated with the annual caps of the Existing Agreements as stated in the announcement of the Company dated 28 February 2008, is more than 0.1%, but all the relevant percentage ratios are less than 2.5%, in accordance with Rule 14A.34 of the Listing Rules, the Continuing Connected Transactions are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirement.

CONNECTED TRANSACTION

1. CONSTRUCTION OF LANDLORD'S STANDARD PROVISIONS

Pursuant to the Tenancy Agreement, Shahdan is responsible to provide for the Standard Landlord's Provisions, which shall be carried by HREAL. HREAL will engage Heng Tat 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.

The cap amount of the cost of the Construction was determined with reference to the most competitive tender offers on the construction works contemplated under the Standard Landlord's Provisions obtained from various contractors which are independent third parties to the Company.

2. REASONS FOR THE CONSTRUCTION

The Premises and the Podium Roof have been used by the Group as a car park. The transformation of the car park into part of a shopping centre will increase the rental value of that portion of the rentable floor area, which will in turn increase the rental income of the Group.

The Directors (including the independent non-executive Directors) are of the opinion that the terms of the Construction are entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

3. LISTING RULES

As HREAL is a connected person of the Company, the Construction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the relevant percentage ratio for the Construction is less than 2.5%, the Construction is only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirements.

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.

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
“Construction”	the construction of the Landlord’s Standard Provision in the Premises pursuant to the Tenancy Agreement
“Continuing Connected Transactions”	the lease of the Premises contemplated under the Tenancy Agreement and the transactions contemplated under the First Licence Agreement and the Second Licence Agreement
“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 the Podium Roof dated 15 August 2008
“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
“Heng Tat”	Heng Tat Construction Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Henderson Land
“HREAL”	Henderson Real Estate Agency Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Henderson Land
“Landlord’s Standard Provision”	the construction of the standard provision in the Premises in relation to inter alia, shop front, leased boundary walls, ceiling, floor etc.
“Lease Commencement Date”	16 June 2008
“Licence Commencement Date”	16 June 2008
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Premises”	Shop 3013, 3/F, Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
“Podium Roof”	Portion of Podium Roof, 3/F, Miramar Shopping

Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong

“Second Licence Agreement”	the licence agreement entered into between Shahdan as licensor and HREAL as licensee in respect of the Fan Room dated 15 August 2008
“Shahdan”	Shahdan Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Fan Room”	Fan Room, 3/F, Miramar Shopping Centre, 132 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 the Premises on 15 August 2008

By Order of the Board
Chu Kwok Sun
Corporate Secretary

Hong Kong, 15 August 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 Bin 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.