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MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code : 71)

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Previous Agreement and the Previous Renovation Project Security Agreement made between Contender, a wholly owned subsidiary of the Company and MSS whereby MSS agreed to provide general guarding and security services for Hotel Miramar Hong Kong (which has been renamed and now known as The Mira Hong Kong), a hotel owned by the Group, for a period from 15 November 2007 to 15 November 2008 and a period from 17 March 2008 to 15 November 2008 respectively and the Property Security Agreement and the Maintenance Agreement made between the Company and MSS, which, in aggregate, was a de minimis transaction exempt from all the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

The Previous Agreement and the Previous Renovation Project Security Agreement expired on 15 November 2008 and the Board announces that Contender and MSS have agreed to enter into (i) the Security Service Agreement on 15 December 2008 and (ii) the Renovation Project Security Agreement on 15 December 2008. The relevant percentage ratios for the transactions contemplated under the Security Service Agreement and the Renovation Project Security Agreement, if aggregated with the transactions contemplated under the Previous Agreement, the Previous Renovation Project Security Agreement, the Property Security Agreement and the Maintenance Agreement, will be more than 0.1% but less than 2.5% on an aggregated and annual basis, in accordance with Rule 14A.34 of the Listing Rules, the transactions contemplated under the Security Service Agreement and the Renovation Project Security Agreement 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.

BACKGROUND

Reference is made to (i) the agreement dated 1 November 2007 made between Contender and MSS whereby MSS agreed to provide general guarding service for Hotel Miramar Hong Kong (which has been renamed and now known as The Mira Hong Kong), a hotel owned by the Group, for a period from 8:00 am on 15 November 2007 to 8:00 am on 15 November 2008 (the “**Previous Agreement**”); (ii) the agreement dated 27 March 2008 (as supplemented by a supplemental agreement dated 12 June 2008) made between Contender and MSS whereby MSS agreed to provide security service for such area of Hotel Miramar Hong Kong (which has been renamed and now known as The Mira Hong Kong) that is under renovation for a period from 17 March 2007 to 15 November 2008 (the “**Previous Renovation Project Security Agreement**”); (iii) the agreement dated 22 March 2005 made between the Company and MSS whereby MSS agreed to provide security guarding service for a property occupied by the Group for the period from 16 March 2005 until further notice from the Company (“**Property Security Agreement**”); and (iv) the agreement dated 27 August 2007 made between the Company and MSS for the provision of maintenance service of the burglar alarm system at the carpark of the Miramar Tower, a property owned by the Group, for a term of 1 year from 1 July 2007 to 30 June 2008 (“**Maintenance Agreement**”), which, in aggregate, was a de minimis transaction exempt from all the reporting, announcement and independent shareholders’ approval requirements under the Listing Rules.

The Previous Agreement and the Previous Renovation Project Security Agreement expired on 15 November 2008 and the Board announces that Contender and MSS have agreed to enter into (i) the Security Service Agreement relating to the provision of general guarding service for The Mira Hong Kong and (ii) the Renovation Project Security Agreement relating to the provision of security service for such area of The Mira Hong Kong that is currently under renovation, particulars of which are set out below:

(i) DETAILS OF THE SECURITY SERVICE AGREEMENT

Date:	15 December 2008
Parties:	a. Contender b. MSS
Term:	the period from 8:00a.m. on 15 November 2008 to 8:00a.m. on 15 November 2009
Subject matter:	Provision of general guarding service by MSS to The Mira Hong Kong, a hotel owned by the Group
Service Fees:	HK\$272,968.00 per month (exclusive of any overtime charges or charges for provision of temporary security personnel for emergencies or other activities which will be charged on an hourly basis at the hourly charge of HK\$58 per hour per person to HK\$80 per hour per person depending on the type of personnel required) payable within 30 working days after invoice date which will be at the end of the month in arrears

Price Determination: The service fees payable by Contender is determined with reference to the expected security manpower required in terms of the scale of The Mira Hong Kong and the prevailing market rate for similar guarding service

Termination: The Security Service Agreement can be terminated by either party thereto giving the other party one month prior written notice. Both parties thereto may also terminate the Security Service Agreement immediately if either party engages in any willful misconduct, negligent act or omission or fails to comply with any laws or regulations

(ii) DETAILS OF THE RENOVATION PROJECT SECURITY AGREEMENT

Date: 15 December 2008

Parties: a. Contender
b. MSS

Term: the period from 16 November 2008 to 15 November 2009 or to such an earlier date determined by Contender and notified to MSS by not less than 30 days' written notice.

Subject matter: Provision of security service by MSS for such area of The Mira Hong Kong, a hotel owned by the Group, that is under renovation, including, inter alia, patrolling of the area under renovation, ensuring the registration of the workers at the staff entrance of the hotel, ensuring workers are in possession of Green Card prior to commencement of works and ensuring workers adhere to the safety regulations.

Service Fees: HK\$55,160.00 per month (exclusive of any overtime charges which will be charged on an hourly basis at the hourly charge of HK\$58 per hour per person) payable within 30 days after the invoice date

Price Determination: The service fees payable by Contender is determined with reference to the expected security manpower required in terms of the scale of the renovation of The Mira Hong Kong and the prevailing market rates for similar security service

Termination: The Renovation Project Security Agreement can be terminated by either party thereto giving the other party 30 days' prior written notice

REASONS FOR AND BENEFITS OF THE SECURITY SERVICE AGREEMENT AND THE RENOVATION PROJECT SECURITY AGREEMENT

The Group considers that for the sake of administrative effectiveness it would be in the interest of the Group to engage independent security service company to provide guarding and security services.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Security Service Agreement and the Renovation Project Security Agreement are fair and reasonable and that the Security Service Agreement and the Renovation Project Security Agreement are entered into in the ordinary and usual course of business of the Group, on normal commercial terms and are in the interest of the Company and the Shareholders as a whole.

ANNUAL CAPS

It is expected that the aggregate annual fees payable by Contender to MSS (including any overtime charges or charges for provision of temporary security personnel for emergencies or other activities) under the Security Service Agreement and the Renovation Project Security Agreement during the period from 15 November 2008 to 31 March 2009 for the financial year ending 31 March 2009 and the period from 1 April 2009 to 15 November 2010 for the financial year ending 31 March 2010 will be subject to the cap amount of HK\$1,630,000 and HK\$ 2,680,000 respectively.

The cap amounts are determined with reference to the annual fees payable by Contender to MSS under the Security Service Agreement and the Renovation Project Security Agreement, the annual fees payable by Contender to MSS under the Previous Agreement and the Previous Renovation Project Security Agreement and buffer for any estimated overtime charges or additional charges for provision of temporary security personnel for emergencies or other activities payable under the Security Service Agreement and the Renovation Project Security Agreement.

LISTING RULES

MSS is an indirect 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, MSS is a Connected Person of the Company, thereby rendering the transactions contemplated under the Security Service Agreement and the Renovation Project Security Agreement continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since the relevant percentage ratios for the transactions contemplated under the Security Service Agreement and the Renovation Project Security Agreement, if aggregated with the transactions contemplated under the Previous Agreement, the Previous Renovation Project Security Agreement, the Property Security Agreement and the Maintenance Agreement, will be more than 0.1% but less than 2.5% on an aggregated and annual basis, in accordance with Rule 14A.34 of

the Listing Rules, the transactions contemplated under the Security Service Agreement and the Renovation Project Security Agreement 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.

GENERAL

The Group's principal activities consist of hotel business, food and beverage operations, travel operation and property business. The principal business of MSS is the provision of security guard and security services.

DEFINITIONS

“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 Stock Exchange
“Connected Person”	as such term is defined under the Listing Rules
“Contender”	Contender Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“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 Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maintenance Agreement”	as defined in the section headed “Background” of the Announcement
“MSS”	Megastrength Security Services Co., Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Henderson Land

“Previous Agreement”	as defined in the section headed “Background” of the Announcement
“Property Security Agreement”	as defined in the section headed “Background” of the Announcement
“Previous Renovation Project Security Agreement”	as defined in the section headed “Background” of the Announcement
“Renovation Project Security Agreement”	the agreement made on 15 December 2008 between Contender and MSS whereby MSS agreed to provide security service for such area of The Mira Hong Kong that is under renovation
“Security Service Agreement”	the agreement made on 15 December 2008 between Contender and MSS whereby MSS agreed to provide general guarding services to The Mira Hong Kong
“Shareholder(s)”	the registered holder(s) of share(s) in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“The Mira Hong Kong”	a hotel named as “The Mira Hong Kong” located at 118-130 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
 Chu Kwok Sun
 Corporate Secretary

Hong Kong, 15 December 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.