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MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED

(incorporated in Hong Kong with limited liability)

(Stock code: 71)

CONTINUING CONNECTED TRANSACTION

IN RESPECT OF THE NEW CITISTORE LEASE

Reference is made to the Citistore Lease disclosed in the announcement of the Company dated 28 February 2008. The Citistore Lease has expired on 2 October 2008. The Board announces that on 16 March 2009, the New Citistore Lease was entered into between Shahdan, a wholly-owned subsidiary of the Company, as landlord, and Citistore, a connected person of the Company, as tenant, which constitutes continuing connected transaction of the Company.

Since the relevant percentage ratio(s) for the Transaction calculated on an annual basis by reference to the aggregate sum of annual rental, licence fees and other charges (exclusive of Government rates) payable by Citistore to the Group is/are 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 Transaction is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirement of the Listing Rules. Details of the Transaction are set out below in this announcement.

Reference is made to the Citistore Lease disclosed in the announcement of the Company dated 28 February 2008. The Citistore Lease expired on 2 October 2008.

The Board announces that Shahdan and Citistore entered into the New Citistore Lease on 16 March 2009, the particulars of which are set out below:

MAJOR TERMS OF THE NEW CITISTORE LEASE

Date:	16 March 2009
Parties:	Shahdan as landlord Citistore as tenant
Citistore Premises:	Shop 2004, 2 nd Floor, Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
Term:	Three years commencing from 3 October 2008 to 2 October 2011

- Rent and other charges:
- (a) Basic rent payable on a monthly basis during the term is HK\$138,000 (payable in advance on the 1st day of each month) plus the Annual Additional Turnover Rent (payable in arrear) (exclusive of Government rates, management fee, air-conditioning charges and promotion contribution);
 - (b) Government rates (subject to Government's review) is HK\$14,250 per quarter (payable on the 1st day of January, April, July and October);
 - (c) aggregate monthly management fee and air-conditioning charges (subject to periodic review by Shahdan or its building manager) is HK\$32,411.30 (payable in advance on the 1st day of each month);
 - (d) monthly promotion contribution, being 1% of the monthly basic rent as referred to in (a) above (subject to periodic review by Shahdan) (payable in advance on the 1st day of each month); and
 - (e) monthly licence fee for the licence of lightboxes numbered 11 and 12 of the external wall above the main entrance of the Miramar Shopping Centre shall be HK\$6,000 (payable in advance on the 1st day of each month).

User: To be used as retail shop only

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Miramar Shopping Centre is held by the Group as investment for rental purposes and the Transaction will contribute to the rental income of the Group.

The terms of the New Citistore Lease were determined after arm's length negotiations between the parties taking into consideration the market rental of the Citistore Premises and market licence fee of the relevant lightboxes under valuation as at 3 October 2008 by Savills Valuation and Professional Services Limited, an independent property valuer.

The Directors (including the independent non-executive Directors) are of the opinion that the terms of the Transaction is 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.

LISTING RULES

Citistore 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, Citistore is a connected person of the Company, thereby rendering the Transaction continuing connected transaction for the Company under Chapter 14A of the

Listing Rules.

The aggregate annual rental, licence fees and other charges (exclusive of Government rates) payable by Citistore to the Group under the Transaction for each of the financial years ending 31 March 2009, 2010, 2011 and 2012 will be subject to the cap amounts of HK\$1,300,000, HK\$2,600,000, HK\$2,600,000 and HK\$1,310,000 respectively. The cap amounts are determined with reference to the annual basic rental, the estimated Annual Additional Turnover Rent based on historical figures under the Citistore Lease, management fees, air-conditioning charges, promotion contribution, licence fees and other charges payable under the New Citistore Lease.

Since the relevant percentage ratio(s) for the Transaction calculated on an annual basis by reference to the aggregate sum of annual rental, licence fees and other charges (exclusive of Government rates) payable by Citistore to the Group, is/are 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 Transaction is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirement 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.

Citistore is principally engaged in investment holding and department store operation under the name of "Citistore".

DEFINITIONS

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

"Annual Additional Turnover Rent"	the additional turnover rent for each period of twelve (12) months, which equals to the amount of 10% of the turnover of Citistore's business during the relevant twelve (12) months' period less the annual basic rent for the same twelve (12) months (applicable only where the aforesaid 10% of the turnover exceeds the aforesaid annual basic rent)
"Board"	the board of Directors
"Citistore"	Citistore Limited, the holding company of Citistore Properties and a wholly-owned subsidiary of Henderson Land
"Citistore Lease"	the lease dated 23 December 2005 entered into between Shahdan as landlord and Citistore Properties as tenant in respect of the Citistore Premises for a term of 3 years commencing from 3 October 2005 to 2

October 2008

“Citistore Premises”	Shop 2004, 2 nd Floor, Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
“Citistore Properties”	Citistore Properties Limited, a wholly-owned subsidiary of Henderson Land
“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
“Directors”	the directors 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 Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Citistore Lease”	the lease dated 16 March 2009 entered into between Shahdan as landlord and Citistore as tenant in respect of the Citistore Premises
“Shahdan”	Shahdan Limited, a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transaction contemplated under the New Citistore Lease

By Order of the Board
Chu Kwok Sun
Corporate Secretary

Hong Kong, 16 March 2009

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 and Mr. Eddie Lau Yum Chuen; (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 Bui 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.