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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 RENEWAL OF LEASE**

Reference is made to the announcement of the Company dated 28 June 2006 in relation to, among other things, Miramar Tower 1817-18 Lease which has expired on 11 June 2009. The Board announces that on 24 July 2009, the Renewal Lease was entered into between Shahdan as landlord and Union Medical as tenant, which constitutes a continuing connected transaction of the Company under Chapter 14 of the Listing Rules.

Pursuant to Rule 14A.25 of the Listing Rules, the Miramar Tower 1801-02 Lease and the Renewal Lease will be aggregated and treated as if they were one transaction. As the aggregate annual consideration payable under the Transaction, on an annual basis, does not exceed 2.5% of each of the applicable percentage ratios under the Listing Rules, pursuant to Rule 14A.34 of the Listing Rules, the Company is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and no independent shareholders' approval is required.

Union Medical is a company in which Dr. Lee and Mr. Lee have 100% deemed interest under the SFO and therefore is an Associate of Dr. Lee and Mr. Lee. As Dr. Lee and Mr. Lee are Directors and are, by virtue of their respective deemed interests under the SFO, taken as substantial shareholders of the Company, Union Medical is a Connected Person of the Company thereby rendering the Renewal Lease a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

Reference is made to:

- (i) the announcement of the Company dated 28 June 2006 in relation to the Miramar Tower 1817-18 Lease entered into by Shahdan as landlord and Union Medical as tenant in

- respect of the Miramar Tower 1817-18 Premises for a term of three years commencing from 12 June 2006 to 11 June 2009, which has expired on 11 June 2009; and
- (ii) the announcement dated 17 August 2007 in relation to the Miramar Tower 1801-02 Lease entered into by the same parties in respect of the Miramar Tower 1801-02 Premises for a term of three years commencing from 1 June 2007 to 31 May 2010.

The Board announces that Shahdan and Union Medical has on 24 July 2009 entered into the Renewal Lease, particulars of which are set out below.

DETAILS OF THE RENEWAL LEASE

- Signing date : 24 July 2009
- Parties : Shahdan as landlord
Union Medical as tenant
- Miramar Tower : Units 1817-18, 18th Floor, Miramar Tower, 132 Nathan Road,
1817-18 Premises Tsimshatsui, Kowloon, Hong Kong
- Term : three years, commencing from 12 June 2009 to 11 June 2012
- Rent and other : the rent payable on a monthly basis (exclusive of government
charges rates, management fee and air-conditioning charges) during the
term is HK\$65,000.00
- the aggregate monthly management fee and air-conditioning
charges (subject to the periodic review by Shahdan or its
designated management company of Miramar Tower) is
HK\$10,171.80
- User : To be used as a clinic only to be staffed by any combination of
the specialist physicians specializing in Plastic and Cosmetic
Surgery only
- Sublet : The tenant shall have the right to sublet Unit 1818 to Paragon
Clinic Limited, which is a third party (not being a Connected
Person of the Company)

REASONS FOR THE TRANSACTION

Miramar Tower is held by the Group as an investment for rental purposes. The Directors (including the independent non-executive Directors) are of the opinion that the Transaction was 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.

The terms of the Renewal Lease was determined after arm's length negotiations between the parties and the rent is determined by reference to market rental of the Miramar Tower 1817-18 Premises endorsed by a valuation certificate dated 27 May 2009 by DTZ Debenham Tie Leung Limited, an independent valuer. The other terms were determined with reference to the standard tenancy agreement entered into with other tenants of Miramar Tower and were similar to those applied to the Miramar Tower 1801-02 Lease.

As the Transaction was entered into in the ordinary and usual course of business of Shahdan and that the rent and other terms of the Renewed Lease were determined after arm's length negotiations between the parties and with reference to the prevailing market rent, the Directors are of the opinion that the terms of the Renewal Lease were fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES

Union Medical is a company in which Dr. Lee and Mr. Lee have 100% deemed interest under the SFO and therefore is an Associate of Dr. Lee and Mr. Lee. As Dr. Lee and Mr. Lee are Directors and are, by virtue of their respective deemed interests under the SFO, also taken as substantial shareholders of the Company, Union Medical is a Connected Person of the Company thereby rendering the Renewal Lease a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As the Miramar Tower 1801-02 Lease and the Renewal Lease are entered into by Shahdan with the same Connected Person, namely, Union Medical and all two leases related to premises in the same floor of the same building, they are regarded as related transactions and therefore are treated as if they were one transaction pursuant to Rule 14A.25 of the Listing Rules. As the aggregate annual rental and other charges payable under the Transaction, on an annual basis, does not exceed 2.5% of each of the applicable percentage ratios under the Listing Rules, pursuant to Rule 14A.34 of the Listing Rules, the Company is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and no independent shareholders' approval is required.

The aggregate annual rental and other charges payable by Union Medical to Shahdan under the Transactions for each of the financial years ending 31 March 2010, 2011, 2012 and 2013 will be subject to the following cap amounts of HK\$3,500,000, HK\$1,600,000, HK\$1,200,000 and HK\$230,000 respectively. The cap amounts are determined with reference to the annual rent, management fees, air-conditioning charges and other charges payable by Union Medical pursuant to the Transactions.

The breakdown of the cap amounts for the aggregate annual rental and other charges payable by Union Medical to Shahdan under the Transactions are as follows:

	Year ending 31 March 2010	Year ending 31 March 2011	Year ending 31 March 2012	Year ending 31 March 2013
	HK\$	HK\$	HK\$	HK\$
Miramar Tower 1801-02 Lease	2,300,000	400,000	---	---
Renewal Lease	<u>1,200,000^{Note}</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>230,000</u>
Total	3,500,000	1,600,000	1,200,000	230,000
	=====	=====	=====	=====

Note: This comprises approximately HK\$180,000 being the rental and other charges paid by Union Medical to Shahdan under the Miramar Tower 1817-18 Lease for the period from 1 April 2009 to 11 June 2009 and HK\$1,020,000 being the cap amount of the rental and other charges payable by Union Medical to Shahdan under the Renewal Lease for the period from 12 June 2009 to 31 March 2010.

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 Union Medical and its subsidiaries are operation of a hospital.

DEFINITIONS

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

“Associate” has the meaning ascribed thereto under the Listing Rules

“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
“Directors”	the directors of the Company
“Dr. Lee”	Dr. Lee Shau Kee
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Miramar Tower 1801-02 Premises”	Units 1801-02, 18 th Floor, Miramar Tower, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
“Miramar Tower 1801-02 Lease”	The lease entered into between Shahdan as landlord and Union Medical as tenant in respect of Miramar Tower 1801-02 Premises dated 17 August 2007
“Miramar Tower 1817-18 Premises”	Units 1817-18, 18 th Floor, Miramar Tower, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
“Miramar Tower 1817-18 Lease”	The lease entered into between Shahdan as landlord and Union Medical as tenant in respect of Miramar Tower 1817-18 Premises dated 28 June 2006
“Mr. Lee”	Mr. Lee Ka Shing
“Renewal Lease”	the lease entered into between Shahdan as landlord and Union Medical as tenant in respect of the Miramar Tower 1817-18 Premises dated 24 July 2009
“Shahdan”	Shahdan Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company

“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the Miramar Tower 1801-02 Lease and the Renewal Lease
“Union Medical”	Union Medical Centre Limited, a company incorporated in Hong Kong with limited liability, the principal activity of which is the operation of a hospital

By Order of the Board
 Chu Kwok Sun
Corporate Secretary

Hong Kong, 24 July 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 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.