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MIRAMAR GROUP
美麗華集團

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

**CONTINUING CONNECTED TRANSACTIONS
IN RESPECT OF RENEWAL OF TENANCY AGREEMENT AND
LICENCE AGREEMENTS**

Reference is made to the announcement of the Company dated 7 December 2010 in relation to, inter alia, the Tenancy Agreement, the First Licence Agreement and the Second Licence Agreement.

The Tenancy Agreement, the First Licence Agreement and the Second Licence Agreement will expire on 15 June 2013. The Board announces that, at the request of HREAL, the Group entered into the following agreements on 6 June 2013 with HPAL, a connected person of the Company, which constitute continuing connected transactions of the Company:

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

HPAL 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, HPAL is a connected person of the Company, thereby rendering the Renewal Tenancy Agreement, the Renewal First Licence Agreement and the Renewal Second Licence Agreement continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since the relevant percentage ratios for the Transactions calculated on an annual basis by reference to the aggregate sum of rents, fees and other charges (exclusive of Government rates) payable by HPAL to the Group is more than 0.1%, but all the relevant percentage ratios are less than 5%, in accordance with Rule 14A.34 of the Listing Rules, the 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 requirements of the Listing Rules. Details of the Transactions are set out below in this announcement.

Reference is made to the announcement of the Company dated 7 December 2010, 12 August 2011 and 15 May 2012 in relation to, inter alia,

- (i) the Tenancy Agreement;
- (ii) the First Licence Agreement;

- (iii) the Second Licence Agreement;
- (iv) a tenancy agreement dated 12 August 2011 entered into between Shahdan as landlord and HREAL as tenant in respect of Shop 501-502, 5/F, Miramar Shopping Centre for a term of two years eight months and four days commencing from 1 December 2011 to 4 August 2014;
- (v) a tenancy agreement dated 12 August 2011 entered into between Shahdan as landlord and HREAL as tenant in respect of Shops 503A-C, 5/F, Miramar Shopping Centre for a term of three years commencing from 5 August 2011 to 4 August 2014;
- (vi) a licence agreement dated 12 August 2011 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 three years commencing from 1 September 2011 to 31 August 2014; and
- (vii) a tenancy agreement dated 15 May 2012 entered into between Shahdan as landlord and Citistore (Hong Kong) Limited, a wholly-owned subsidiary of Henderson Land, as tenant in respect of Shop 2004, 2/F, Miramar Shopping Centre for an initial term of 3 years commencing from 3 October 2011 to 2 October 2014 with an option to renew for a further 3 years.

(collectively the “**Existing Agreements**”) which constitute continuing connected transactions of the Company.

The Tenancy Agreement, the First Licence Agreement and the Second Licence Agreement will expire on 15 June 2013. The Board announces that, at the request of HREAL, the Group entered into the following agreements on 6 June 2013 with HPAL, a connected person of the Company, which constitute continuing connected transactions of the Company:

DETAILS OF THE RENEWAL TENANCY AGREEMENT

- | | |
|-------------------------|---|
| Signing date: | 6 June 2013 |
| Parties: | Shahdan as landlord
HPAL as tenant |
| Premises: | Shop 3013, 3/F., Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong |
| Term: | Three years commencing from 16 June 2013 to 15 June 2016, both days inclusive, provided that both the landlord and the tenant shall have the right to early terminate this tenancy by giving a notice of not less than three months to other party after 15 June 2014. |
| Rent and other charges: | <ul style="list-style-type: none"> (a) rent payable on a monthly basis (exclusive of Government rates, management fee, air-conditioning charges and promotion contribution) during the term is HK\$594,400.00; (b) aggregate monthly management fee and air-conditioning charges (subject to the periodic review by Shahdan or its designated property manager) is HK\$94,110.10; <p style="margin-left: 40px;">Extra chilled water supply costs may be charged by the Landlord to the Tenant for additional chilled water supply required by the Tenant which is beyond the specified normal daily chilled water supply hours;</p> <ul style="list-style-type: none"> (c) monthly promotion contribution, being 1% of the |

monthly rent of the Premises (subject to periodic review by the Shahdan) is HK\$5,944.00;

(d) Government rates as per Government's assessment.

User: To be used as a property agency only

DETAILS OF THE RENEWAL FIRST LICENCE AGREEMENT

Signing date: 6 June 2013

Parties: Shahdan as licensor
HPAL 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 16 June 2013 to 15 June 2016, both days inclusive, provided that both the licensor and the licensee shall have the right to early terminate this license by giving a notice of not less than three months to other party after 15 June 2014.

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\$213,500.00;

(b) monthly management fee (subject to the periodic review by Shahdan or its designated property manager) is HK\$11,939.70;

(c) Government rates as per Government's assessment.

User: Restricted to legal usage only

DETAILS OF THE RENEWAL SECOND LICENCE AGREEMENT

Signing date: 6 June 2013

Parties: Shahdan as licensor
HPAL as licensee

Fan Room: Fan Room, 3/F., Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong

Term: Three years commencing from 16 June 2013 to 15 June 2016, both days inclusive, provided that both the licensor and the licensee shall have the right to early terminate this license by giving a notice of not less than three months to other party after 15 June 2014.

- Licence fee and other charges: (a) licence fee payable on a monthly basis (exclusive of Government rates) during the term is HK\$42,200.00;
- (b) Government rates as per Government's assessment.
- User: Restricted to legal usage only

REASONS FOR THE TRANSACTIONS

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

The terms of the New Agreements 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 certificate dated 26 February 2013 prepared by DTZ Debenham Tie Leung Limited, an independent property 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.

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

LISTING RULES

HPAL 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, HPAL is a connected person of the Company, thereby rendering the Renewal Tenancy Agreement, the Renewal First Licence Agreement and the Renewal Second Licence Agreement continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Since both Dr. Lee Shau Kee and Mr. Lee Ka Shing, being Directors, through companies indirectly controlled by the private trust of the family of Dr. Lee Shau Kee, are deemed to be interested in the shares in Henderson Land, they have material interest in the Transactions. The Board had delegated the power to consider and approve all connected transactions of the Company to the Company's Audit Committee. As both Dr. Lee Shau Kee and Mr. Lee Ka Shing are not members of the Audit Committee, they have not voted on the relevant board resolution(s) in respect of the Transactions.

The aggregate annual rental, licence fees and other charges (exclusive of Government rates) payable by the HPAL to the Group under the Transactions for each of the financial years ending 31 December 2013, 2014, 2015 and 2016 will be subject to the cap amounts of HK\$8,130,000.00, HK\$15,000,000.00, HK\$15,300,00.00 and HK\$7,100,00.00 respectively. The cap amounts are determined with reference to the annual rent, management fees, licence fees, air-conditioning charges, promotion contribution and other charges payable under the New Agreements.

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

	Year ending 31 December 2013 HK\$	Year ending 31 December 2014 HK\$	Year ending 31 December 2015 HK\$	Year ending 31 December 2016 HK\$
Renewal Tenancy Agreement	6,000,000	11,200,000	11,490,000	5,347,000
Renewal First Licence Agreement	1,800,000	3,290,000	3,300,000	1,520,000
Renewal Second Licence Agreement	330,000	510,000	510,000	233,000
Total	<u>8,130,000</u>	<u>15,000,000</u>	<u>15,300,000</u>	<u>7,100,000</u>

Since the relevant percentage ratios for the Transactions calculated on an annual basis by reference to the aggregate sum of rents, licence fees and other charges (exclusive of Government rates) payable by HPAL to the Group, even when aggregated with the annual caps of the Existing Agreements as stated in the announcement of the Company dated 7 December 2010, 12 August 2011 and 15 May 2012, is more than 0.1%, but all the relevant percentage ratios are less than 5%, in accordance with Rule 14A.34 of the Listing Rules, the 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.

GENERAL

The Group's principal activities consist of hotel business, food and beverage operations, travel operation, property business and apparel business. The principal business of Shahdan is property rental. The principal activity of HPAL is property agency business.

DEFINITIONS

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

“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
“Fan Room”	Fan Room, 3/F, Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong

“First Licence Agreement”	the licence agreement entered into between Shahdan as licensor and HREAL as licensee in respect of the Podium Roof dated 7 December 2010
“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
“HPAL”	Henderson Property Agency 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, the existing tenant of the Premises, Podium Roof and Fan Room
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Agreements”	collectively, the Renewal Tenancy Agreement, the Renewal First Licence Agreement and the Renewal Second Licence Agreement
“Podium Roof”	Portion of Podium Roof, 3/F, Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
“Premises”	Shop 3013, 3/F, Miramar Shopping Centre, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
“Renewal Tenancy Agreement”	the tenancy agreement entered into between Shahdan as landlord and HPAL as tenant in respect of the Premises on 6 June 2013
“Renewal First Licence Agreement”	the licence agreement entered into between Shahdan as licensor and HPAL as licensee in respect of the Podium Roof dated 6 June 2013
“Renewal Second Licence Agreement”	the licence agreement entered into between Shahdan as licensor and HPAL as licensee in respect of the Fan Room dated 6 June 2013
“Second Licence Agreement”	the licence agreement entered into between Shahdan as licensor and HREAL as licensee in respect of the Fan Room dated 7 December 2010
“Shahdan”	Shahdan Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

“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 dated 7 December 2010
“Transactions”	collectively, the transactions contemplated under the Renewal Tenancy Agreement, the Renewal First Licence Agreement and the Renewal Second Licence Agreement

By Order of the Board
Chu Kwok Sun
Corporate Secretary

Hong Kong, 6 June 2013

As at the date of this announcement, (i) the executive directors of the Company 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 of the Company are: Dr. Patrick Fung Yuk Bun, Mr. Dominic Cheng Ka On and Mr. Alexander Au Siu Kee; (iii) the independent non-executive directors of the Company are: Dr. David Sin Wai Kin, Mr. Wu King Cheong, Dr. Timpson Chung Shui Ming, Mr. Thomas Liang Cheung Bui and Mr. Howard Yeung Ping Leung,.