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**MIRAMAR GROUP**  
**MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED**  
**美麗華酒店企業有限公司**

(Incorporated in Hong Kong with limited liability)  
(Stock Code: 71)

**CONTINUING CONNECTED TRANSACTION  
REGARDING RENEWAL OF TENANCY AGREEMENT**

Reference is made to the announcement of the Company dated 23 November 2015 in relation to the Units 1801-18 Tenancy Agreement which was entered into between Shahdan as landlord and Union Medical as tenant. Such tenancy agreement will expire on 31 January 2019.

The Board announces that on 14 November 2018, the Renewal of Tenancy Agreement was entered into between Shahdan as landlord and Union Medical as tenant, which constitutes continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As at the date of this announcement, so far as the Directors are able to ascertain after making reasonable enquiries, Union Medical is a company indirectly controlled by the private trusts of the family of Dr. Lee Shau Kee, Director of the Company. Accordingly, Union Medical is a Connected Person of the Company thereby rendering the Renewal of Tenancy Agreement continuing connected transaction 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 and other charges (exclusive of Government rates) payable by Union Medical to the Group is more than 0.1% but less than 5%, in accordance with the Listing Rules, the Transactions is only subject to the reporting and announcement requirements of the Listing Rules and are exempt from the shareholders' approval requirement of the Listing Rules.

References are made to the Previous Announcements in relation to, inter alia,

- (i) Units 1801-18 Tenancy Agreement;
  - (ii) Units 1706-07 Tenancy Agreement;
- (collectively the “**Existing Agreements**”) which constitute continuing connected transactions of the Company.

The Board announces that Shahdan and Union Medical have entered into the following Renewal of Tenancy Agreement on 14 November 2018, particulars of which are set out below:

## **MAJOR TERMS OF THE RENEWAL OF TENANCY AGREEMENT**

- Signing date : 14 November 2018
- Parties : Shahdan as landlord  
Union Medical as tenant
- Premises : Units 1801-18 on 18<sup>th</sup> Floor, Mira Place Tower A, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
- Term : Three years, commencing from 1 February 2019 to 31 January 2022 (both days inclusive)
- Rent and other charges : The rent payable on a monthly basis (exclusive of government rates, management fee and air-conditioning charges) (payable in advance on the 1<sup>st</sup> day of each month) during the term is HK\$2,051,176.00
- The aggregate monthly management fee and air-conditioning charges (subject to the periodic review or revision by Shahdan or its designated property manager) (payable in advance on the 1<sup>st</sup> day of each month) is HK\$304,904.60.
- Extra chilled water supply costs may be charged by Shahdan to Union Medical for additional chilled water supply required by Union Medical which is beyond the specified normal daily chilled water supply hours
- User : To be used as a clinic only to be staffed by any combination of the specialist physicians specializing in Surgery, Cardiology, Urology, Chest Specialist, Orthopaedics, Obstetrics & Gynaecology, Ophthalmology, and Ear, Nose, Throat Surgery, Plastic and Cosmetic Surgery, Dermatology & Surgery, Health Check, Endoscopy Clinic, IVF Laboratory & Reproductive Medicine Centre, Child Assessment Clinic, Medical Imaging Centre, Dental Clinic, Internal Medicine, Conference Room.

## **REASONS FOR ENTERING INTO THE RENEWAL OF TENANCY AGREEMENT**

Mira Place Tower A 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 Renewal of Tenancy Agreement 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 of Tenancy Agreement were determined after arm's length negotiations between the parties and the rent is determined by reference to market rental of the Premises endorsed by a valuation certificate dated 25 October 2018 by Cushman & Wakefield Limited, an independent property valuer. The other terms of the Renewal of Tenancy Agreement were determined with reference to a standard tenancy agreement which is also used in relation to other leases with other tenants of Mira Place Tower A.

As the Renewal of Tenancy Agreement was entered into in the ordinary and usual course of business of Shahdan and that the rent and other terms of the Renewal of Tenancy Agreement were determined after arm's length negotiations between the parties with reference to the prevailing market rent endorsed by an independent property valuer and with reference to the terms of a standard tenancy agreement which is also used in relation to other leases with other tenants of Mira Place Tower A, the Directors (including the independent non-executive Directors) are of the opinion that the terms of the Renewal of Tenancy Agreement were fair and reasonable and in the interests of the Company and its shareholders as a whole.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, so far as the Directors are able to ascertain after making reasonable enquiries, Union Medical is a company indirectly controlled by the private trusts of the family of Dr. Lee Shau Kee. Accordingly, Union Medical is a Connected Person of the Company thereby rendering the Renewal of Tenancy Agreement continuing connected transaction 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 trusts of the family of Dr. Lee Shau Kee, are deemed to be interested in the shares in Union Medical, they have material interest in the Renewal of Tenancy Agreement. 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 Renewal of Tenancy Agreement.

As the Existing Agreements and the Renewal of Tenancy Agreement are entered into by Shahdan with the same Connected Person, namely, Union Medical and these tenancy agreements related to the same building, they are regarded as related transaction and therefore are treated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules. The aggregate annual rental and other charges (exclusive of Government rates) payable by Union Medical to Shahdan under the Transactions for each of the financial years ending 31 December 2019, 2020, 2021 and 2022 will be subject to the cap amounts of HK\$37,200,000, HK\$34,890,000, HK\$35,120,000 and HK\$2,950,000 respectively. The cap amounts are determined with reference to the annual rent, management fees, air-conditioning charges and chilled water supply costs (including possible increment of management fees, air-conditioning fees and extra chilled water supply charges) payable by Union Medical under the Transactions for each of the financial years ending 31 December 2019, 2020, 2021 and 2022. The breakdown of the cap amounts under the Transactions are as follows:

	Year ending 31 December 2019 HK\$	Year ending 31 December 2020 HK\$	Year ending 31 December 2021 HK\$	Year ending 31 December 2022 HK\$
Units 1801-18 Tenancy Agreement	2,700,000	---	---	---
Units 1706-07 Tenancy Agreement	2,500,000	---	---	---
Renewal of Tenancy Agreement	<u>32,000,000</u>	<u>34,890,000</u>	<u>35,120,000</u>	<u>2,950,000</u>
Total	<u>37,200,000</u>	<u>34,890,000</u>	<u>35,120,000</u>	<u>2,950,000</u>
	=====	=====	=====	=====

Since the relevant percentage ratios for the Transactions calculated on an annual basis by reference to the aggregate sum of rents and other charges (exclusive of Government rates) payable by Union Medical to the Group is more than 0.1% but less than 5%, in accordance with the Listing Rules, the Transactions is only subject to the reporting and announcement requirements of the Listing Rules and are exempt from the shareholders' approval requirement of the Listing Rules.

## GENERAL

The Group's principal activities consist of property rental, hotels and serviced apartments, food and beverage operation and travel operation. The principal business of Shahdan is property rental. The principal activities of Union Medical and its subsidiaries are operation of a hospital and clinics.

## DEFINITIONS

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

“Board”	the board of Directors
“Company”	Miramar Hotel and Investment Company, Limited 美麗華酒店企業有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 71)
“Connected Person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Premises”	Units 1801-18 on 18th Floor, Mira Place Tower A, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
“Renewal of Tenancy Agreement”	the tenancy agreement entered into between Shahdan as landlord and Union Medical as tenant in respect of the Premises dated 14 November 2018
“Shahdan”	Shahdan Limited 正信有限公司, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed thereto under the Listing Rules
“Transactions”	collectively, the transactions contemplated under the Existing Agreements and Renewal of Tenancy Agreement
“Union Medical”	Union Medical Centre Limited (仁安醫院有限公司), a company incorporated in Hong Kong with limited liability, the principal activity of which is the operation of a hospital and clinics
“Units 1801-18 Tenancy Agreement”	the tenancy entered into between Shahdan as landlord and Union Medical as tenant in respect of the premises located at Units 1801-18 on 18th Floor, Mira Place Tower A (previously known as Miramar Tower), 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong, dated 23 November 2015, for a term of three years from 1 February 2016 to 31 January 2019
“Units 1706-07 Tenancy Agreement”	the tenancy entered into between Shahdan as landlord and Union Medical as tenant in respect of the premises located at Units 1706-07 on 17th Floor, Mira Place Tower A (previously known as Miramar Tower), 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong, dated 17 August 2016, for a term of three years from 1 September 2016 to 31 August 2019
“%”	per cent

By Order of the Board  
 Chu Kwok Sun  
 Corporate Secretary

Hong Kong, 14 November 2018

*As at the date of this announcement, (i) the executive directors of the Company are: Mr. Lee Ka Shing, Mr. Richard Tang Yat Sun, Dr. Colin Lam Ko Yin, Mr. Norman Ho Hau Chong and Mr. Lau Yum Chuen; (ii) the non-executive directors of the Company are: Dr. Lee Shau Kee, 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. Howard Yeung Ping Leung and Mr. Thomas Liang Cheung Biu.*