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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 TENANCY AGREEMENT**

The Board announces that on 9 June 2022, Shahdan as landlord and Century Time as tenant entered into the Tenancy Agreement and the transactions thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Century Time is a wholly-owned subsidiary of Hong Kong Ferry. Henderson Land is a substantial shareholder of Hong Kong Ferry, which indirectly holds approximately 33.41% of the issued shares of Hong Kong Ferry. Henderson Land is also a holding company of the Company holding approximately 50.08% of the issued shares of the Company. Therefore, Century Time, being a wholly-owned subsidiary of Hong Kong Ferry and an associate of Henderson Land, is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions under the Tenancy Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As the relevant highest annual cap of the consideration payable by Century Time under the Tenancy Agreement, on an annual basis, exceeds 0.1% but less than 5% of each of the applicable percentage ratios under the Listing Rules, and the transactions under the Tenancy Agreement are conducted on normal commercial terms, they are only subject to the reporting, announcement and annual review requirements of the Listing Rules and are exempt from the shareholders' approval requirements of the Listing Rules.

The Board announces that on 9 June 2022, Shahdan as landlord and Century Time as tenant entered into the Tenancy Agreement and the transactions thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules, particulars of which are set out below:

DETAILS OF THE TENANCY AGREEMENT

Signing date: 9 June 2022

Parties:	Shahdan as landlord Century Time as tenant
Premises:	Units Nos. 901-04 & 18 on the 9 th Floor of Mira Place Tower A, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
Term:	3 years commencing from the Term Commencement Date (tentatively from 10 June 2022 to 9 June 2025, both dates inclusive)
Rent-free period:	92 days from and inclusive of the Term Commencement Date, and the tenant shall pay the management fee and air-conditioning charges, government rates and other outgoings during the rent-free period
Rent and other charges:	<p>(a) rent payable on a monthly basis (exclusive of management fee and air-conditioning charges and government rates) during the term is as follows:</p> <p>(i) Year 1 of the Term: monthly rent: HK\$473,460.00;</p> <p>(ii) Year 2 of the Term: monthly rent: HK\$522,020.00;</p> <p>(iii) Year 3 of the Term: monthly rent: HK\$558,440.00;</p> <p>(b) government rates (subject to government's review) is HK\$83,766.00 per quarter;</p> <p>(c) aggregate monthly management fee and air-conditioning charges (subject to periodic review by Shahdan or its designated management company of the Premises) is HK\$99,548.00; and</p> <p>(d) Fitting-out fee and debris disposal charge: One-off HK\$12,140.00 vetting fee and HK\$60,700.00 debris removal fee.</p>
Rental Deposit:	HK\$2,057,730.00 being a sum equivalent to 3 months' highest rent, management fee, air-conditioning charges and government rates
Reinstatement Deposit:	HK\$342,955.00 (equivalent to half month's highest rent, management fee, air-conditioning charges and government rates) which will be refunded without interest within 30 days after Century Time's completion of the reinstatement work at the Premises to Shahdan's satisfaction at the expiration or sooner determination of the Tenancy Agreement
Payments:	Rent, management fee and air-conditioning charges to be paid in advance on the first day of each calendar month, and the government rates to be paid on the first day of January, April, July and October

REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENT

Mira Place Tower A is held by the Group as investment for rental purposes and the Tenancy Agreement will contribute rental income to the Group.

The terms of the Tenancy Agreement were determined after arm's length negotiations between the parties and after making reference to market rental of the Premises endorsed by a valuation certificate dated 24 May 2022 by Cushman & Wakefield Limited, an independent property valuer. The other terms of the 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 Tenancy Agreement was entered into in the ordinary and usual course of business of Shahdan and, the rent and other terms of the Tenancy Agreement were determined after arm's length negotiations between the parties with reference to the prevailing market rent endorsed by an independent valuer as well as the terms of the standard tenancy agreement which are 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 Tenancy Agreement was entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms after arm's length negotiations between the Parties; and (iii) on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

ANNUAL CAPS

The aggregate annual rental and other charges (exclusive of government rates) payable by Century Time to the Group under the Tenancy Agreement for each of the financial years/periods ending 31 December 2022, 2023, 2024 and 2025 will be subject to the cap amounts of HK\$2,950,000, HK\$8,750,000, HK\$9,400,000 and HK\$4,300,000 respectively. The above cap amounts are determined with reference to the annual rent, management fees, air-conditioning charges and other charges (exclusive of government rates) (including a buffer for possible increment of management fees, air-conditioning fees and extra chilled water supply charges) payable by Century Time under the Tenancy Agreement for each of the financial years/periods ending 31 December 2022, 2023, 2024 and 2025.

LISTING RULES

Century Time is a wholly-owned subsidiary of Hong Kong Ferry. Henderson Land is a substantial shareholder of Hong Kong Ferry, which indirectly holds approximately 33.41% of the issued shares of Hong Kong Ferry. Henderson Land is also a holding company of the Company holding approximately 50.08% of the issued shares of the Company. Therefore, Century Time, being a wholly-owned subsidiary of Hong Kong Ferry and an associate of Henderson Land, is a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions under the Tenancy Agreement constitute continuing connected transactions of the Company under the Listing Rules.

Dr. Lee Ka Shing, the Chairman and Chief Executive Officer, is regarded as materially interested in transaction contemplated under the Tenancy Agreement through his deemed interest in the shares of Henderson Land. The Board had delegated the power to consider and approve all connected transactions of the Company to the Company's audit committee. As Dr. Lee Ka Shing is not a member of the audit committee, he has not voted on the relevant Board resolution(s) in respect of the transactions contemplated under the Tenancy Agreement.

As the relevant highest annual cap of the consideration payable by Century Time under the Tenancy Agreement, on an annual basis, exceeds 0.1% but less than 5% of each of the applicable percentage ratios under the Listing Rules, and the transactions under the Tenancy Agreement are conducted on normal commercial terms, they are only subject to the reporting, announcement and annual review requirements of the Listing Rules and are exempt from the shareholders' approval requirements of the Listing Rules.

GENERAL

The principal activity of the Company is investment holding, and the principal activities of its subsidiaries consist of property rental, hotels and serviced apartments, food and beverage operation and travel operation. The principal activities of Shahdan is property rental.

The principal activities of Century Time is medical aesthetic, medical clinics and health care/products. The principal activity of Hong Kong Ferry is investment holding and the principal activities of its subsidiaries are property development, property investment, ferry, shipyard and related businesses and securities investment.

Henderson Land is an investment holding company and its subsidiaries are principally engaged in the businesses of property development and investment, construction, project management, property management, finance, department store operation, hotel operation and investment holding. The shareholding information of Henderson Land is available on the Stock Exchange's website (<https://www.hkexnews.hk/>).

DEFINITIONS

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

“Board”	the board of Directors
“Century Time”	Century Time Holdings Limited (創泰集團有限公司), a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Hong Kong Ferry
“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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Henderson Land”	Henderson Land Development Company Limited (恒基兆業地產有限公司), 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: 12)

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Ferry”	Hong Kong Ferry (Holdings) Company Limited (香港小輪(集團)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: 50)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Premises”	Units Nos. 901-04 & 18 on the 9 th Floor of Mira Place Tower A, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
“Shahdan”	Shahdan Limited (正信有限公司), 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 dated 9 June 2022 and entered into between Shahdan as landlord and Century Time as tenant in respect of the tenancy of the Premises
“Term Commencement Date”	tentatively 10 June 2022 or such other date to be determined by Shahdan by giving not less than 7 days’ prior written notice to Century Time, its agent or its solicitor that Shahdan is ready to deliver possession of the Premises to Century Time

By Order of the Board
 Chu Kwok Sun
 Corporate Secretary

Hong Kong, 9 June 2022

As at the date of this announcement, (i) the executive Directors are Dr. Lee Ka Shing, Mr. Richard Tang Yat Sun, Dr. 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 and Mr. Dominic Cheng Ka On; (iii) the independent non-executive Directors are Dr. David Sin Wai Kin, Mr. Wu King Cheong, Dr. Timpson Chung Shui Ming, Mr. Howard Yeung Ping Leung, Mr. Thomas Liang Cheung Bui and Mr. Alexander Au Siu Kee.