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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 IN RESPECT OF NEW TENANCY AGREEMENT

References are made to the announcements of the Company dated 31 July 2020 and 25 May 2021 in relation to the Shops 501-506 Lease and Shops B109-113 Tenancy Agreement which were entered into between Shahdan as landlord and HPAL as tenant, commencing from 5 August 2020 to 4 August 2023 and from 15 June 2021 to 31 March 2023 respectively. Such Shops B109-113 Tenancy Agreement will expire on 31 March 2023.

The Board announces that on 30 March 2023, the New Tenancy Agreement was entered into between Shahdan as landlord and HPAL as tenant, which constitutes continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As HPAL is an indirect wholly-owned subsidiary of Henderson Land, which in turn is a holding company of the Company, HPAL is a connected person of the Company, thereby rendering the New Tenancy Agreement a continuing connected transaction for the Company, under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the Shops 501-506 Lease, Shops B109-113 Tenancy Agreement and the New Tenancy Agreement will be aggregated and treated as if they were one transaction. As the aggregate annual consideration payable under the Transactions, on an annual basis, exceeds 0.1% but less than 5% of each of the applicable percentage ratios under the Listing Rules, the Transactions are only subject to the reporting and announcement requirements of the Listing Rules and are exempt from the shareholders' approval requirements of the Listing Rules.

References are made to the announcements of the Company dated 31 July 2020 and 25 May 2021 in relation to the Shops 501-506 Lease and Shops B109-113 Tenancy Agreement which were entered into between Shahdan as landlord and HPAL as tenant, commencing from 5 August 2020 to 4 August 2023 and from 15 June 2021 to 31 March 2023 respectively. Such Shops B109-113 Tenancy Agreement will expire on 31 March 2023.

The Board announces that on 30 March 2023, the New Tenancy Agreement was entered into between Shahdan as landlord and HPAL as tenant, which constitutes continuing connected transaction of the Company under Chapter 14A of the Listing Rules, particulars of which are set out below:

DETAILS OF THE NEW TENANCY AGREEMENT

- Signing date: 30 March 2023
- Parties: Shahdan as landlord
HPAL as tenant
- Premises: Shops B109-113, B1/F., Mira Place 1, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
- Term: One year, commencing from 1 April 2023 and expiring on 31 March 2024, both days inclusive.
- Rent and other charges:
- (a) rent payable on a monthly basis (exclusive of management fee and air-conditioning charges, government rates and promotion contribution) during the term is HK\$890,000.00;
 - (b) Government rates (subject to Government's review) is HK\$24,250.00 per month;
 - (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\$170,301.20;
 - (d) monthly promotion contribution, being 2.1% of the monthly rent of Premises, that is HK\$18,690.00 subject to periodic review by Shahdan; and
 - (e) extra chilled water supply costs may be charged by Shahdan to HPAL for additional chilled water supply required by HPAL which is beyond the specified normal daily chilled water supply hours.
- User: To be used for property agency.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW TENANCY AGREEMENT

Mira Place 1 is held by the Group as investment for rental purposes and the New Tenancy Agreement will contribute to rental income of the Group.

The terms of the New Tenancy Agreement were determined after arm's length negotiations between the parties and after making reference to market rental of Premises endorsed by a valuation certificate dated 13 February 2023 by Cushman & Wakefield Limited, an independent property valuer. The other terms of the New Tenancy Agreement were determined with reference to a standard tenancy agreement which were also used in relation to other leases with other tenants of Mira Place 1.

As the New Tenancy Agreement was entered into in the ordinary and usual course of business of Shahdan and that the rent and other terms of the New Tenancy Agreement were determined after arm's length negotiations between the parties with reference to the prevailing market rent endorsed by an independent valuer and with reference to the terms of a standard tenancy agreement which are also used in relation to other leases with other tenants of Mira Place 1, the Directors (including the independent non-executive Directors) are of the opinion that the New 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.

LISTING RULES

As HPAL is an indirect wholly-owned subsidiary of Henderson Land, which in turn is a holding company of the Company, HPAL is a connected person of the Company, thereby rendering the New Tenancy Agreement a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

Dr. Lee Ka Shing, the Chairman and Chief Executive Officer, is regarded as materially interested in the transactions contemplated under the New 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 New Tenancy Agreement.

As the Shops 501-506 Lease, Shops B109-113 Tenancy Agreement and the New Tenancy Agreement are entered into by Shahdan with the same connected person, namely, HPAL and three agreements related to the premises in different floor of 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 HPAL to the Group under the Transactions for each of the financial years ending 31 December 2023 and 2024 will be subject to the following cap amounts of HK\$39,600,000 and HK\$3,900,000 respectively.

The cap amounts are determined with reference to the annual rent, management fees, air-conditioning charges, promotion contribution and other charges (exclusive of Government rates) (including possible increment of management fees, air-conditioning fees and extra chilled water supply charges) payable by HPAL under the Transactions for each of the financial years ending 31 December 2023 and 2024, the breakdown of which are as follows:

	Year ending 31 December 2023 HK\$	Year ending 31 December 2024 HK\$
Shops 501-506 Lease	24,000,000	---
Shops B109-113 Tenancy Agreement	3,900,000	---
New Tenancy Agreement	11,700,000	3,900,000
Total	<u>39,600,000</u>	<u>3,900,000</u>

As the aggregate annual consideration payable under the Transactions, on an annual basis, exceeds 0.1% but less than 5% of each of the applicable percentage ratios under the Listing Rules, the Transactions are only subject to the reporting and announcement 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 HPAL are provision of management and agency services.

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
“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
“Shops 501-506 Lease”	a tenancy agreement entered into between Shahdan as landlord and HPAL as tenant in respect of the tenancy of Shops 501-506, 5/F., Mira Place 1, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong dated 31 July 2020.
“Shops B109-113 Tenancy Agreement”	a tenancy agreement entered into between Shahdan as landlord and HPAL as tenant in respect of the tenancy of Shops B109-113, B1/F., Mira Place 1, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong dated 25 May 2021.
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“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
“HPAL”	Henderson Property Agency Limited (恒基物業代理有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Henderson Land
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Tenancy Agreement”	the agreement entered into between Shahdan as landlord and HPAL as tenant in respect of the tenancy of the Premises dated 30 March 2023
“Premises”	Shops B109-113, B1/F., Mira Place 1, 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
“Transactions”	collectively, the transactions contemplated under the Shops 501-506, Shops B109-113 Tenancy Agreement and the New Tenancy Agreement

By Order of the Board
 Chu Kwok Sun
 Corporate Secretary

Hong Kong, 30 March 2023

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 Biu and Mr. Alexander Au Siu Kee.