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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 TRANSACTIONS  
IN RESPECT OF  
NEW LEASE AGREEMENT AND NEW LICENCE AGREEMENT**

References are made to the announcements of the Company dated 31 July 2020 and 25 May 2021 in relation to, among other things, the Shops 501-506 Lease and the 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 (both days inclusive) and from 15 June 2021 to 31 March 2023 (both days inclusive), respectively.

References are also made to the announcements of the Company dated 30 March 2023 and 3 August 2023 in relation to the Renewal of Shops B109-113 Tenancy Agreement and the Renewal of Shops 501-506 Lease and Licence which were entered into between Shahdan as landlord and HPAL as tenant, commencing from 1 April 2023 to 31 March 2024 (both days inclusive) and from 5 August 2023 to 4 August 2026 (both days inclusive), respectively.

The Board announces that on 28 November 2023, (i) the New Lease Agreement was entered into between Shahdan as landlord and the Tenants as tenant and (ii) the New Licence Agreement was entered into between Shahdan as licensor and the Tenants as licensee, both of which constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the Tenants are indirect wholly-owned subsidiaries of Henderson Land, which in turn is a holding company of the Company, accordingly, the Tenants are connected persons of the Company, thereby rendering the New Lease Agreement and New Licence Agreement continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the (i) Shops 501-506 Lease, (ii) Shops B109-113 Tenancy Agreement, (iii) Renewal of Shops B109-113 Tenancy Agreement, (iv) Renewal of Shops 501-506 Lease and Licence, (v) New Lease Agreement and (vi) New Licence Agreement may be aggregated and treated as if they were one transaction. As the aggregate annual consideration (including rental) payable to Shahdan under the Transactions, on an annual basis, exceeds 0.1% but is less than 5% of each of the applicable percentage ratios under the Listing Rules, the Transactions 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.

References are made to the announcements of the Company dated 31 July 2020 and 25 May 2021 in relation to, among other things, the Shops 501-506 Lease and the 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 (both days inclusive) and from 15 June 2021 to 31 March 2023 (both days inclusive), respectively.

References are also made to the announcements of the Company dated 30 March 2023 and 3 August 2023 in relation to the Renewal of Shops B109-113 Tenancy Agreement and the Renewal of Shops 501-506 Lease and Licence which were entered into between Shahdan as landlord and HPAL as tenant, commencing from 1 April 2023 to 31 March 2024 (both days inclusive) and from 5 August 2023 to 4 August 2026 (both days inclusive), respectively.

The Board announces that on 28 November 2023, (i) the New Lease Agreement was entered into between Shahdan as landlord and the Tenants as tenant and (ii) the New Licence Agreement was entered into between Shahdan as licensor and the Tenants as licensee, both of which constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

## THE NEW LEASE AGREEMENT

The particulars of the New Lease Agreement are set out below:

Signing date: 28 November 2023

Parties: Shahdan as landlord  
Tenants as tenant

Premises: Shop No. 407A, 4/F., Mira Place 1, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong, with gross floor area of 10,870 square feet

Term: Fixed term of one year (the “**First Year**”), commencing from 1 December 2023 and expiring on 30 November 2024 (both days inclusive) or commencing from the 7<sup>th</sup> day from the date of written notification by Shahdan or its solicitor that the vacant possession of the Premises is ready for delivery

The Tenants have an option to extend the term for a further one year (the “**Option Year**”) by serving to Shahdan not more than 7 months’ and not less than 6 months’ notice in writing prior to the expiry of the First Year (the “**Renewal Notice**”)

Rent-Free Period: First 3 months commencing from the commencement date of the First Year (the “**Rent-Free Period**”), provided that the management fee and air-conditioning charges, government rates and promotion contribution and other outgoings shall be payable by the Tenants during the Rent-Free Period

Rent and other charges: The Tenants shall pay the following amounts under the New Lease Agreement:

- (a) First Year (excluding the Rent-Free Period): HK\$652,200 per month (exclusive of management fee and air-conditioning charges, government rates and promotion contribution and other outgoings (if any));

- (b) Option Year (if exercised): open market monthly rent to be agreed among the parties after serving of the Renewal Notice by the Tenants on Shahdan, failing which, a mutually agreed single qualified surveyor shall be jointly engaged to determine the open market rent, and if the parties are unable to agree on the appointment of such surveyor, the surveyor shall be nominated by the chairman of the Hong Kong Institute of Surveyors, and the decision of such surveyor on the open market rent shall be final and binding on the parties, provided that the monthly basic rent (exclusive of management fee and air-conditioning charges, government rates and promotion contribution and other outgoings (if any)) shall not be less than HK\$652,200 and not more than HK\$750,030 as agreed under the New Lease Agreement;
- (c) Government rates (subject to Government's review) in the amount of HK\$32,610 per month;
- (d) aggregate monthly management fee and air-conditioning charges in the amount of HK\$116,309 (subject to increase in costs of providing chilled water services and/or management services, and periodic review by Shahdan or its designated management company of the Premises); and
- (e) monthly promotion contribution, being 2.1% of the monthly rent (subject to periodic review by Shahdan).

The rent, management fees and air-conditioning charges and promotion contribution shall be payable in advance on the 1st day of each calendar month, and the Government rates shall be payable on the 1<sup>st</sup> day of January, April, July and October during the term of the lease.

User: To be used for property agency (including but not limited to the use as sales offices)

**THE NEW LICENCE AGREEMENT**

In consideration of the Tenants entering into the New Lease Agreement, Shahdan has agreed to grant and the Tenants have agreed to take up a licence to use and occupy the Licence Area for pre-decoration purpose, the particulars of which are set out below:

Signing date:	28 November 2023
Parties:	Shahdan as licensor Tenants as licensee
Licence Area:	Same location as the Premises
Licence term:	Period commencing from 18 August 2023 and expiring on 30 November 2023, both days inclusive
Licence fee and other charges:	HK\$1 for the whole term (inclusive of management fee and air-conditioning charge, government rates and promotion levy but exclusive of other outgoings)

User: Pre-decoration purpose

Condition: The grant of the licence is conditional upon the parties entering into the New Lease Agreement

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW LEASE AGREEMENT AND NEW LICENCE AGREEMENT**

Mira Place 1 is held by the Group as investment for rental purposes and the consideration received under the New Lease Agreement will contribute to the rental income of the Group. The licence under the New Licence Agreement was granted conditional upon the New Lease Agreement being entered into between the parties thereto.

The New Lease Agreement and New Licence Agreement were entered into in the ordinary and usual course of business of Shahdan, and the terms thereunder were determined after arm's length negotiations between the parties. The rent payable under the New Lease Agreement was determined with reference to open market rent. Cushman & Wakefield Limited, an independent property valuer engaged by the Company (the "Valuer"), is of the opinion that the rent for the First Year is fair and reasonable and the effective rent (i.e. the rent for the First Year after due allowances for the incentives including the Rent-Fee Period from 1 December 2023 to 29 February 2024 and the nominal license fee HK\$1 for the period from 18 August 2023 to 30 November 2023) being approximately HK\$381,000 per month for the entire period from the commencement of the New Licence Agreement on 18 August 2023 to the end of the First Year on 30 November 2024 as determined by the Valuer is consistent with the market rents for similar premises in similar location as at the date of commencement of the New Lease Agreement. The rent for the Option Year will in any event be determined with reference to the then open market rent subject to the terms of the New Lease Agreement. As such, the Directors (including the independent non-executive Directors) are of the opinion that the New Lease Agreement and New Licence Agreement were 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 the Tenants are indirect wholly-owned subsidiaries of Henderson Land, which in turn is a holding company of the Company, accordingly, the Tenants are connected persons of the Company, thereby rendering the New Lease Agreement and New Licence Agreement continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

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

As the (i) Shops 501-506 Lease, (ii) Shops B109-113 Tenancy Agreement, (iii) Renewal of Shops B109-113 Tenancy Agreement, (iv) Renewal of Shops 501-506 Lease and Licence, (v) New Lease Agreement and (vi) New Licence Agreement were entered into by Shahdan with related connected persons under the Henderson Group and all six agreements are related to the premises in different floors of the same building, they may be regarded as related transactions and may be treated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules.

The aggregate annual rental, licence fees and other charges (exclusive of Government rates) payable to Shahdan under the Transactions for each of the financial years ending 31 December 2023, 2024, 2025 and 2026 will be subject to the cap amounts of HK\$57,300,001, HK\$57,200,000, HK\$55,300,000 and HK\$26,000,000 respectively.

The cap amounts are determined with reference to the annual rent, licence fees, 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 to Shahdan under the Transactions for each of the financial years ending 31 December 2023, 2024, 2025 and 2026, the breakdown of which are as follows:

	Year ending 31 December 2023 HK\$	Year ending 31 December 2024 HK\$	Year ending 31 December 2025 HK\$	Year ending 31 December 2026 HK\$
Shops 501-506 Lease (expired on 4 Aug 2023)	24,000,000	---	---	---
Shops B109-113 Tenancy Agreement (expired on 31 March 2023)	3,900,000	---	---	---
Renewal of Shops B109-113 Tenancy Agreement	11,700,000	3,900,000	---	---
Renewal of Shops 501-506 Lease and Licence	17,500,000	43,300,000	43,500,000	26,000,000
New Lease Agreement	200,000	10,000,000	11,800,000	---
New Licence Agreement	1	---	---	---
Total	<u>57,300,001</u>	<u>57,200,000</u>	<u>55,300,000</u>	<u>26,000,000</u>

As the aggregate annual consideration payable to Shahdan 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, 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 activity of Shahdan is property rental.

The principal activity of the Tenants is properties development.

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, 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
“BVI”	British Virgin Islands
“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
“First Year”	has the meaning as defined in the section headed “The New Lease Agreement” in this announcement
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Henderson Group”	Henderson Land 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)
“Licence Area”	has the meaning as defined in the section headed “The New Licence Agreement” in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Lease Agreement”	the agreement dated 28 November 2023 entered into between Shahdan as landlord and the Tenants as tenant in respect of the lease of the Premises

“New Licence Agreement”	the agreement dated 28 November 2023 entered into between Shahdan as licensor and the Tenants as licensee in respect of the licence of the Premises
“Renewal Notice”	has the meaning as defined in the section headed “The New Lease Agreement” in this announcement
“Renewal of Shops 501-506 Lease and Licence”	an agreement dated 3 August 2023 entered into between Shahdan as landlord and HPAL as tenant in respect of (i) the tenancy of Shops 501-506, 5/F., Mira Place 1, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong and (ii) the licence on the usage of the pillar signage near Shop No. G02 on the Ground Floor of Mira Place 1, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
“Renewal of Shops B109-113 Tenancy Agreement”	a tenancy agreement dated 30 March 2023 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
“Rent-Free Period”	has the meaning as defined in the section headed “The New Lease Agreement” in this announcement
“Shops 501-506 Lease”	a tenancy agreement dated 31 July 2020 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, which had expired on 4 August 2023
“Shops B109-113 Tenancy Agreement”	a tenancy agreement dated 25 May 2021 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, which had expired on 31 March 2023
“Option Year”	has the meaning as defined in the section headed “The New Lease Agreement” in this announcement
“Premises”	Shop No. 407A, 4/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
“Tenants”	(i) Equal Fame Limited (also operating as Equal Famme Limited) (incorporated in BVI with limited liability), (ii) Easy Region Limited (incorporated in BVI with limited liability) and (iii) Star Hero Investment Limited (星漢投資有限公司) (incorporated in Hong Kong with limited liability), each being an indirect wholly-owned subsidiary of Henderson Land

“Transactions” collectively, the transactions contemplated under the (i) Shops 501-506 Lease, (ii) Shops B109-113 Tenancy Agreement, (iii) Renewal of Shops B109-113 Tenancy Agreement, (iv) Renewal of Shops 501-506 Lease and Licence, (v) New Lease Agreement and (vi) New Licence Agreement

“Valuer” has the meaning as defined in the section headed “Reasons for and benefits of entering into the New Lease Agreement and New Licence Agreement” in this announcement

By Order of the Board  
Chu Kwok Sun  
Corporate Secretary

Hong Kong, 28 November 2023

*As at the date of this announcement, (i) the executive Directors are Dr. Lee Ka Shing, Dr. Colin Lam Ko Yin, Mr. Richard Tang Yat Sun, Mr. Eddie Lau Yum Chuen and Mr. Norman Ho Hau Chong; (ii) the non-executive Directors are Dr. Patrick Fung Yuk Bun and Mr. Dominic Cheng Ka On; and (iii) the independent non-executive Directors are Dr. Timpson Chung Shui Ming, Mr. Howard Yeung Ping Leung, Mr. Thomas Liang Cheung Bui, Mr. Wu King Cheong, Mr. Alexander Au Siu Kee and Mr. Benedict Sin Nga Yan.*