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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)

MAJOR AND CONNECTED TRANSACTION

PROPOSED ACQUISITION OF INTERESTS IN SOLUTION RIGHT LIMITED

THE ACQUISITION UNDER THE S&P AGREEMENT

The Board is pleased to announce that, on 15 January 2025, the Purchaser (a wholly-owned subsidiary of the Company), the Vendor (a wholly-owned subsidiary of Henderson Land) and Henderson Land (as guarantor of the Vendor) entered into the S&P Agreement, pursuant to which the Purchaser has agreed conditionally to acquire from the Vendor the Sale Interest, which comprises the Sale Share (representing the one and only issued share in the Target Company) and the Sale Loan, at the total consideration of HK\$3,120,000,000 (subject to adjustments).

Completion of the Acquisition is conditional upon (i) the approval of the Transaction by the Independent Shareholders; and (ii) the Purchaser being satisfied with Far Union's good title to the Target Property. Completion shall take place on the 5th business day after the Conditions are fulfilled or waived, where applicable (or such other date as the Vendor and the Purchaser may agree in writing).

Upon Completion, the companies within the Target Group (including Far Union which is the sole owner of the Target Property) will become indirect wholly-owned subsidiaries of the Company and the financial results of the Target Group will be consolidated into the Group's financial statements.

The main asset of the Target Group is the Target Property which comprises the Lot and a composite building of 10 storeys with an additional roof floor erected thereon now known as "Champagne Court (香檳大廈)" completed in 1957 and located at No.16 Kimberley Road, Kowloon, Hong Kong. Pursuant to the S&P Agreement, the Target Property will not

be handed over to the Purchaser at Completion. The Vendor shall procure the demolition of the existing building erected on the Target Property and the redevelopment of the Target Property into the New Hotel based on the approved general building plans, incorporating the Key Features and on Mira Moon Standard or better, and in accordance with all applicable laws and regulations. The Vendor shall procure the completion of the Redevelopment with all due expedition, and on or before the Latest Handover Date. Apart from the Purchaser's payment obligation for the Consideration, the Group (including the Target Group upon Completion) shall not be required to make any other payment to the Vendor or any other company within the HLD Group in relation to the Redevelopment or to any building contractors in relation to the redevelopment contracts.

The New Hotel will be adjacent to The Mira Hong Kong, a hotel operated by the Group. Based on the relevant general building plans which have been approved by the Building Authority prior to the date of this announcement, the New Hotel will be a 23-storey hotel cum commercial complex erected above two basement storeys with a total gross floor area of approximately 137,885 square feet, comprising 99 hotel guestrooms, shops, restaurants, banquet halls, approximately 21 private car parking spaces and approximately 2 motor parking spaces.

Vacant possession of the New Hotel will be delivered by the Vendor to the Purchaser on or before the Latest Handover Date, or such other date as the Vendor and the Purchaser may agree in writing. The Vendor will procure that all permits, licences and certificates which are required to be issued by competent authorities under the applicable laws and regulations for the operation of all reasonable and proper functions of the New Hotel as a fully operational hotel in Hong Kong (including but not limited to the hotel licence but excluding any liquor licence, for which the Group intends to apply on its own) will be issued in the name of Far Union (or any other person designated by the Purchaser) before the Handover and no later than the Latest Handover Date. Therefore, the New Hotel will be fit for use as a hotel upon Handover.

Accordingly, the Purchaser will indirectly acquire the New Hotel under the Transaction.

LISTING RULES IMPLICATIONS

As the Vendor is an indirect wholly-owned subsidiary of Henderson Land, which in turn is the holding company of the Company holding 345,999,980 Shares (representing approximately 50.08% of the total number of issued Shares as at the date of this announcement), each of the Vendor and Henderson Land is a connected person of the Company under the Listing Rules. Accordingly, the entering into of the S&P Agreement and the Transaction constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Transaction exceeds 25% but is less than 100%, the Transaction will also constitute a major transaction of the Company.

Accordingly, the entering into of the S&P Agreement and the Transaction will be subject to the announcement, reporting, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising Dr. Timpson Chung Shui Ming, Mr. Howard Yeung Ping Leung, Mr. Benedict Sin Nga Yan and Ms. Wong Yeung Fong, all being independent non-executive Directors, has been established to consider the terms of the S&P Agreement and the Transaction, and to advise the Independent Shareholders as to whether the terms of the S&P Agreement and the Transaction are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Mr. Wu King Cheong and Mr. Alexander Au Siu Kee, each being an independent non-executive Director, are also independent non-executive directors of Henderson Land, and Mr. Thomas Liang Cheung Biu, being an independent non-executive Director, is taken to be interested in approximately 0.02% of the total issued share capital of Henderson Land. Therefore, Mr. Wu, Mr. Au and Mr. Liang may not be independent to advise the Independent Shareholders on the S&P Agreement and the Transaction, and are not members of the Independent Board Committee.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The EGM will be held for the Independent Shareholders to consider and, if thought fit, approve the S&P Agreement and the Transaction. A circular containing, among other things, (i) further information on the S&P Agreement and the Transaction; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) the valuation report on the Target Property by the Independent Property Valuer; and (v) the notice convening the EGM and a proxy form, is expected to be despatched to the Shareholders on or before 28 February 2025 as additional time is required to compile the necessary information to be included in the circular.

WARNING

COMPLETION OF THE ACQUISITION IS SUBJECT TO THE FULFILLMENT OR WAIVER (WHERE APPLICABLE) OF THE CONDITIONS, AND MAY OR MAY NOT TAKE PLACE. SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD EXERCISE CAUTION WHEN DEALING IN THE SHARES.

INTRODUCTION

The Board is pleased to announce that, on 15 January 2025, the Purchaser (a wholly-owned subsidiary of the Company), the Vendor (a wholly-owned subsidiary of Henderson Land) and Henderson Land (as guarantor of the Vendor) entered into the S&P Agreement, pursuant to which the Purchaser has agreed conditionally to acquire from the Vendor the Sale Interest, which comprises the Sale Share (representing the one and only issued share in the Target Company) and the Sale Loan, at the total consideration of HK\$3,120,000,000 (subject to adjustments).

THE S&P AGREEMENT

The principal terms of the S&P Agreement are set out below:

- Date** : 15 January 2025
- Parties** : (i) The Vendor (a wholly-owned subsidiary of Henderson Land) as vendor;
- (ii) the Purchaser (a wholly-owned subsidiary of the Company) as purchaser; and
- (iii) Henderson Land as the guarantor of the Vendor.
- Subject matter** : The Vendor agreed to sell and assign, and the Purchaser agreed to purchase and take the assignment of, the Sale Interest (comprising the Sale Share and the Sale Loan) free from all encumbrances.
- Consideration and payment** : The Consideration for the Sale Interest is the Initial Consideration in the amount of HK\$3,120,000,000, which is equal to the Agreed Acquisition Value, plus or minus any adjustment(s) based on the Completion NAV of the Target Company.

The Purchaser will pay the Consideration to the Vendor in cash in the following manner:

- (i) HK\$312,000,000 (the “**Deposit**”), representing 10% of the Initial Consideration, has been paid to the Vendor upon signing of the S&P Agreement as the deposit;
- (ii) HK\$727,896,000, representing 23.33% of the Initial Consideration, as adjusted by the Completion NAV of the Target Company calculated with reference to the Pro Forma Completion Accounts as prepared by the Vendor, will be payable to the Vendor on Completion;
- (iii) subject to Completion having taken place, HK\$1,039,896,000, representing 33.33% of the Initial Consideration, will be payable to the Vendor within seven (7) business days after the day on which the Building Authority issues its consent to the commencement of building works of the New Hotel;
- (iv) HK\$1,015,208,000, being the sum representing 33.34% of the Initial Consideration less the Retention Money, will be payable to the Vendor at Handover; and
- (v) HK\$25,000,000 (“**Retention Money**”) (being the balance of the Consideration) will be payable to the Vendor within 5 business

days after the Purchaser receives the Defects Rectification Certificate.

The Pro Forma Completion Accounts will be audited by the auditors within sixty (60) days after Completion (the “**Audited Completion Accounts**”), and any difference in the amount of the Completion NAV of the Target Company based on the Pro Forma Completion Accounts and the Audited Completion Accounts (the “**NAV Difference**”) will be determined. The NAV Difference will be payable by the Vendor or the Purchaser, as the case may be, to the other in cash within five (5) business days after the delivery of the Audited Completion Accounts.

The Consideration will be funded through internal resources of the Group.

As at 10 January 2025, the Appraised Gross Development Value of the Target Property was HK\$3,120,000,000, according to the valuation performed by the Independent Property Valuer. The Initial Consideration was determined after arm’s length negotiations between the parties to the S&P Agreement with reference to the Appraised Gross Development Value.

- Conditions** : Completion of the Acquisition is conditional upon the satisfaction (or waiver, where applicable) of the following Conditions no later than the Long Stop Date:
- (i) the Independent Shareholders having approved the entering into and the performance of the S&P Agreement and the Transaction; and
 - (ii) the Purchaser being satisfied with Far Union’s good title to the Target Property.

The Condition in (i) above cannot be waived by any party to the S&P Agreement. The Purchaser may, at its sole discretion, waive the Condition in (ii) above by written notice to the Vendor.

If the Conditions shall not be fulfilled or waived (where applicable) on or before the Long Stop Date, the S&P Agreement may be terminated by the Vendor or the Purchaser and be of no further effect and force. Upon such termination, the Vendor shall return the Deposit to the Purchaser in full forthwith without interest, and no party to the S&P Agreement shall be entitled to any rights or benefits or be under any obligations or have any liability under or in respect of the S&P Agreement save in respect of any antecedent breach.

Completion : Completion shall take place on the 5th business day after the Conditions are fulfilled or waived, where applicable (or such other date as the Vendor and the Purchaser may agree in writing).

Upon Completion, the companies within the Target Group (including Far Union which is the sole owner of the Target Property) will become indirect wholly-owned subsidiaries of the Company and the financial results of the Target Group will be consolidated into the Group's financial statements.

Construction of the New Hotel : The Target Property will not be handed over to the Purchaser at Completion. The Vendor shall procure the demolition of the existing building erected on the Target Property, and the redevelopment of the Target Property into the New Hotel based on the approved general building plans, incorporating the Key Features and on Mira Moon Standard or better, and in accordance with all applicable laws and regulations. The Vendor shall procure the completion of the Redevelopment with all due expedition, and on or before the Latest Handover Date. Apart from the Purchaser's payment obligation for the Consideration, the Group (including the Target Group upon Completion) shall not be required to make any other payment to the Vendor or any other company within the HLD Group in relation to the Redevelopment or to any building contractors in relation to the redevelopment contracts.

The New Hotel will be adjacent to The Mira Hong Kong, a hotel operated by the Group. Based on the relevant general building plans which have been approved by the Building Authority prior to the date of this announcement, the New Hotel will be a 23-storey hotel cum commercial complex erected above two basement storeys with a total gross floor area of approximately 137,885 square feet, comprising 99 hotel guestrooms, shops, restaurants, banquet halls, approximately 21 private car parking spaces and approximately 2 motor parking spaces.

The Vendor will have the right to amend or alter the building plans and/or the Key Features of the New Hotel and submit the amended building plans to the Building Authority for approval at such time(s) and in such manner as the Vendor reasonably considers necessary or expedient. The prior written consent of the Purchaser will be required for such amendment or alteration which constitutes a Major Amendment.

As soon as practicable after Completion, the Vendor shall procure a company within the HLD Group to act as the Project Manager in relation to the Redevelopment and the Purchaser shall procure Far Union to appoint the Project Manager. The appointment of the Project Manager shall be for a term ending on the date on which the Defects Rectification Certificate is delivered to the Purchaser. No remuneration or any other fee shall be payable to the Project Manager

by Far Union or any other company within the Target Group or the Group.

The Project Manager shall be authorised by Far Union to, on behalf of Far Union, negotiate and enter into contracts, agreements and arrangements in connection with the Redevelopment with any third party entities. The Vendor undertakes in favour of the Purchaser to assume, duly perform, discharge and be liable for all duties, obligations (including without limitation, the payment obligations) and liabilities on the part of any company within the Target Group pursuant to all and any such redevelopment contracts entered into by Far Union or the Project Manager at any time (whether prior to, on or after the date of the S&P Agreement), in accordance with their respective terms.

- Key Features of the New Hotel** :
1. Total gross floor area : Approximately 137,885 square feet
 2. Number of hotel guestrooms : 99 hotel guestrooms
 3. Number of storeys : 23 storeys above 2 basement storeys
 4. Number of carparking spaces : Approximately 21 private carparking spaces and approximately 2 motor parking spaces
 5. Details of layout :

Floor	Layout
Basement Floor 2	Driveway, car parking spaces and plant rooms
Basement Floor 1	Driveway, car parking spaces and plant rooms
Ground Floor	Driveway, drop-off area, shop, entrance lobby and plant rooms
1st Floor	Shop, plant rooms and ancillary accommodation
2nd Floor	Hotel lobby, shop, back-of-house area, plant rooms and ancillary accommodation
Each of 3rd to 9th Floors	Function room, kitchen, back-of-house area, plant rooms and ancillary accommodation

10th Floor	Back-of-house area, plant rooms and ancillary accommodation
Each of 11th to 22nd Floors	9 hotel guestrooms; plant rooms and ancillary accommodation
23rd Floor	5 hotel guestrooms; plant rooms and ancillary accommodation
25th to 26th Floors	2 hotel guestrooms; plant rooms and ancillary accommodation
Roof and Upper Roofs	Plant rooms and ancillary accommodation

Note: The designations of 4th, 13th, 14th and 24th Floors are to be omitted.

6. Building materials, fittings, finishings and appliances adopted, used or included : On Mira Moon Standard, except that the function room and kitchen (which are not present in Mira Moon) shall be on The Mira Hong Kong Standard and the shops shall be in bare shell

Handover : Vacant possession of the New Hotel will be delivered by the Vendor to the Purchaser on or before the Latest Handover Date, or such other date as the Vendor and the Purchaser may agree in writing.

The Vendor will procure all permits, licences and certificates (the “**Applicable Hotel Licences**”) which are required to be issued by competent authorities under the applicable laws and regulations for the operation of all reasonable and proper functions of the New Hotel as a fully operational hotel in Hong Kong (including but not limited to the hotel licence but excluding any liquor licence, for which the Group intends to apply on its own) will be issued in the name of Far Union (or any other person designated by the Purchaser) before the Handover and no later than the Latest Handover Date. Therefore, the New Hotel will be fit for use as a hotel upon Handover.

Accordingly, the Purchaser will indirectly acquire the New Hotel under the Transaction.

If Handover does not take place on or before the Latest Handover Date (subject to any Unforeseeable Circumstance Time Extension) other than solely due to the default of the Purchaser, the Vendor shall pay to the Purchaser upon Handover interest accrued on all part(s) of the Consideration already paid by the Purchaser to the Vendor under the

S&P Agreement, calculated at the rate of 0.5% per annum below the prime rate as quoted by The Hongkong and Shanghai Banking Corporation Limited in Hong Kong Dollars from time to time, for the period from the Latest Handover Date until the day on which Handover actually takes place (both days inclusive).

Defects Liability Period : The Vendor shall procure the Authorized Person to produce and deliver to the Vendor and the Purchaser within fourteen (14) days after the expiration of the Defects Liability Period a list (the “**Defects List**”) containing (i) all such defects, shrinkages and other faults to the Target Property, the Redevelopment works and/or the New Hotel or the fittings, finishes or appliances therein as notified in writing by the Purchaser or any company within the Target Group to the Vendor from time to time and no later than the expiry of the Defects Liability Period, and (ii) in addition to those referred to in (i) above, all such defects, shrinkages and other faults to the Target Property, the Redevelopment works and/or the New Hotel or the fittings, finishes or appliances therein which shall appear before the expiry of the Defects Liability Period and shall be considered by the Authorized Person as necessary to be remedied and rectified.

The Vendor shall, as soon as reasonably practicable after the receipt of the written notification given by the Purchaser or the relevant company within the Target Group which is delivered no later than the expiry of the Defects Liability Period and/or the Defects List from the Authorized Person, remedy and rectify all such defects, shrinkages and other faults so notified or specified and deliver to the Purchaser a certificate (the “**Defects Rectification Certificate**”) issued by the Authorized Person confirming that all such defects, shrinkages and other faults have been made good to his/her satisfaction.

Warranties and indemnities : The Vendor has provided customary warranties, undertakings, and indemnities for a transaction of this nature in favour of the Purchaser. In particular, the Vendor shall indemnify the Purchaser and the Target Group for any losses, damages, costs and expenses suffered or incurred as a result of or in connection with any breach or non-compliance of the agreements, obligations or undertakings on the part of the Vendor under the S&P Agreement in relation to the Redevelopment; any failure of the Vendor in procuring the redevelopment of the Target Property be completed and made fit for occupation (including the issuance of the Occupation Permit) in accordance with the Order for Sale within the Statutory Redevelopment Period and/or the completion of the Redevelopment, the issuance of all Applicable Hotel Licences and/or the delivery of vacant possession of the New Hotel to the Purchaser on or before the Latest Handover Date.

Payment relating to : The Purchaser shall pay to the Vendor an amount equivalent to the profits tax credit which arises from the accumulated tax loss of each of Far Union and Ever East as at the Completion Date to the extent

utilised profits tax credit that it is utilised by Far Union or Ever East in offsetting its assessable profits for profits tax payable after Completion, within fourteen (14) business days after the relevant notice of assessment is received by Far Union or Ever East (as the case may be) from the Inland Revenue Department. As at 31 October 2024, Far Union and Ever East had an unaudited accumulated tax loss in the aggregate amount of HK\$177,954,508, which represents a profits tax credit of HK\$29,362,494 using the current profits tax rate of 16.5%.

Payment relating to Stamp Duty Refund : As at 31 October 2024, the Target Group had prepaid the Prepaid Stamp Duty in the aggregate amount of approximately HK\$133,062,546, which is included in its unaudited consolidated current assets. The Completion NAV will disregard any Prepaid Stamp Duty and therefore, the Prepaid Stamp Duty will not be taken into account in the calculation of the Consideration.

The Purchaser has provided an undertaking in favour of the Vendor that subject to Completion taking place, the Purchaser shall pay to the Vendor an amount equivalent to the Stamp Duty Refund within sixty (60) days after the Purchaser or any member of the Target Group actually receives such Stamp Duty Refund from the Inland Revenue Department.

Refund of Prepaid Building Order Costs : As at 31 October 2024, Far Union had paid the Prepaid Building Order Costs to the Trustee's solicitors as stakeholders in the aggregate amount of HK\$932,000, which is included in its unaudited consolidated current assets. The Completion NAV will disregard any Prepaid Building Order Costs and therefore, the Prepaid Building Order Costs will not be taken into account in the calculation of the Consideration.

Pursuant to an undertaking given by the Trustee's solicitors, the Prepaid Building Order Costs (or the balance thereof) shall be released and refunded to Far Union within seven (7) business days upon production of documentary evidence on either compliance with the relevant building orders and notices affecting the Lot or the Target Property or demolition of the building(s) on the Lot. The Purchaser has provided an undertaking in favour of the Vendor that subject to Completion taking place, the Purchaser shall pay to the Vendor an amount equivalent to the refund of the Prepaid Building Order Costs (or the balance thereof) received from the Trustee's solicitors within thirty (30) days after the actual receipt of the same by the Purchaser or any member of the Target Group.

Vendor's guarantor : The Vendor's obligations under the S&P Agreement are guaranteed by Henderson Land.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The New Hotel will be adjacent to The Mira Hong Kong, a hotel operated by the Group. Based on the relevant general building plans which have been approved by the Building Authority prior to the date of this announcement, the New Hotel will comprise a 23-storey hotel cum commercial complex erected above two basement storeys with a total gross floor area of approximately 137,885 square feet, comprising 99 hotel guestrooms, shops, restaurants, banquet halls, approximately 21 private car parking spaces and approximately 2 motor parking spaces.

The New Hotel is expected to offer a total of eight suites (including four presidential suites) and 91 guestrooms. Certain rooms at the higher floors of the New Hotel will enjoy the scenic view of the neighboring Kowloon Park or the harbour view. The New Hotel will have a covered drop-off area on the ground floor, from which vehicles can access the car parks on the two basement floors. The reception lobby will have a floor-to-floor height of approximately 9 metres. The Company believes that the New Hotel will attract high-end patrons, thereby achieving a higher average room price of the hotel. In addition, the New Hotel could help relieve the supply pressure of guestrooms of The Mira Hong Kong.

After the Handover, the restaurants of The Mira Hong Kong, which are currently located on the ground floor, 3/F and 5/F, may be considered to be relocated to the New Hotel. Accordingly, the use of the vacated areas of The Mira Hong Kong can be replanned in a manner to improve the commercial value of the hotel.

Moreover, as the New Hotel will be adjoining to The Mira Hong Kong, it will benefit from being managed under the same management team of The Mira Hong Kong and utilize the operational capability of The Mira Hong Kong. Therefore, it is expected that the operational efficiency of both the New Hotel and The Mira Hong Kong will be enhanced.

The New Hotel will form an important part of the Group's strategic development plan. Not only will the New Hotel leverage on the Group's expertise in hotel management and operation, it is expected to drive business growth of the Group and bring synergistic benefits to the surrounding businesses of the Group (including The Mira Hong Kong and the Mira Place).

The Directors (excluding the members of the Independent Board Committee whose views will be expressed in the circular after considering the opinion of the Independent Financial Adviser) are of the opinion that the S&P Agreement and the Transaction are (i) entered into in the ordinary and usual course of business of the Group; (ii) on normal commercial terms after arm's length negotiations between the parties to the S&P Agreement; and (iii) on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE TARGET PROPERTY

The Target Property comprises the Lot and a composite building of 10 storeys with an additional roof floor erected thereon now known as "Champagne Court (香檳大廈)" completed in 1957 and located at No.16 Kimberley Road, Kowloon, Hong Kong. The site area of the Target Property is approximately 12,283 sq. ft.

In response to an application made by Far Union, Ever East and certain members of the HLD Group, the Order For Sale was made by the Lands Tribunal. Far Union, being the bidder who

submitted the only bid at the Auction held on 5 January 2024, entered into a memorandum of agreement on the same date with the Trustee, pursuant to which Far Union agreed to purchase the Target Property at the Bidding Price. The time constraint for complying with the connected transaction requirements including the circular and independent shareholders' approval requirements under the Listing Rules before the bid submission deadline fixed for the Auction had rendered it impossible for the Group to submit a bid at the Auction to acquire HLD Group Units and Target Group Units. Accordingly, the Group did not submit any bid at the Auction.

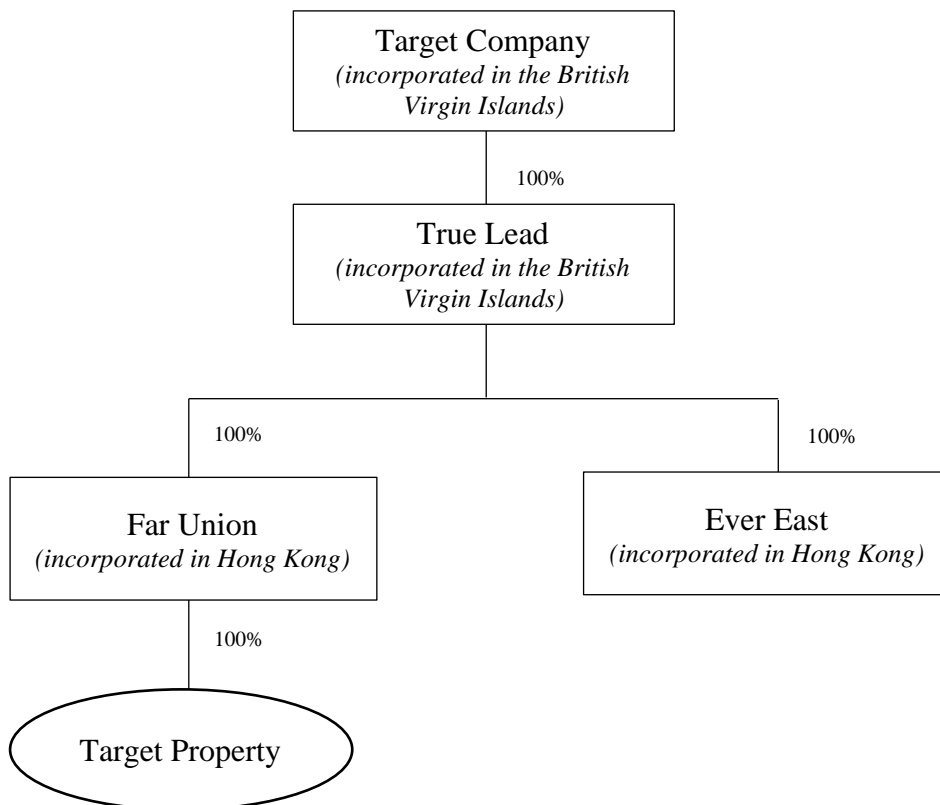
Immediately before the completion of the Compulsory Sale, the Target Property comprises (a) the Target Group Units owned by Far Union (representing approximately 74.95% of all the undivided shares of the Target Property); (b) the HLD Group Units owned by the HLD Group (representing approximately 8.75% of all the undivided shares of the Target Property); (c) the Group Units owned by the Group (representing approximately 10.00% of all the undivided shares of the Target Property); and (d) the Other Units owned by other third parties (representing approximately 6.30% of all the undivided shares of the Target Property). Completion of the Compulsory Sale took place on 7 February 2024, upon which the ownership of the Target Property was consolidated by Far Union and Far Union has become the sole owner of the Target Property.

The total acquisition costs of the Target Property attributable to the Target Group (after transaction costs) were approximately HK\$2,115,000,000. Such acquisition costs include (i) the total purchase prices paid by Far Union in acquiring the Target Group Units (inclusive of the 8 units previously owned by Ever East) up to but immediately before the Auction; and (ii) the actual purchase price paid by Far Union to the Trustee, being the aggregate of the apportioned value of the Bidding Price attributable to the HLD Group Units (being HK\$88,869,000), the Group Units (being HK\$190,050,000, which was subsequently received by the Group from the Trustee) and the Other Units (HK\$281,835,000), as determined pursuant to the Order For Sale.

The Initial Consideration payable by the Purchaser for the Sale Interest is HK\$3,120,000,000. After netting off the apportioned sales proceeds of approximately HK\$190,050,000 (before transaction costs) which the Group received from Far Union for the sale of the Group Units under the Compulsory Sale, the Group will effectively be paying only HK\$2,929,950,000 (subject to adjustment based on the Completion NAV) as consideration for the Acquisition.

INFORMATION ON THE TARGET GROUP

The following diagram illustrates the existing holding structure of the Target Property and the Target Group:



Each of the Target Company and True Lead was incorporated on 19 July 2023. True Lead became a direct wholly-owned subsidiary of the Target Company on 31 July 2023, upon which the financial results of True Lead were consolidated into the financial statements of the Target Company. Each of Far Union and Ever East became indirect subsidiaries of the Target Company on 1 August 2023, upon which the financial results of Far Union and Ever East were consolidated into the financial statements of the Target Company. The Target Company and True Lead have not conducted any business activities since their incorporation other than the indirect and direct holding of the interests in Far Union and Ever East respectively. Far Union is a property investment company and Ever East currently has no operations.

Set out below is the consolidated net loss (both before and after taxation and extraordinary items) of the Target Group for each of the two financial years ended 31 December 2023 and from 1 January 2024 to 31 October 2024, prepared in accordance with the generally accepted accounting principles in Hong Kong:

	For the financial year ended 31 December 2022 <i>(Notes 1 and 2)</i> <i>(unaudited)</i> <i>(approximately)</i>	For the financial year ended 31 December 2023 <i>(Notes 1 and 2)</i> <i>(unaudited)</i> <i>(approximately)</i>	From 1 January 2024 to 31 October 2024 <i>(Note 2)</i> <i>(unaudited)</i> <i>(approximately)</i>
Net (loss) before taxation and extraordinary items	HK\$(33,533,000)	HK\$(421,567,000)	HK\$(161,076,000)
Net (loss) after taxation and extraordinary items	HK\$ (33,533,000)	HK\$(421,567,000)	HK\$(161,076,000)

Note:

- (1) *As each of the Target Company and True Lead was incorporated on 19 July 2023 and both Far Union and Ever East became indirect subsidiaries of the Target Company on 1 August 2023, the above consolidated net loss of the Target Group for the financial year ended 31 December 2022 represents the aggregate of the audited net loss of each of Far Union and Ever East for such year, and the above unaudited consolidated net loss of the Target Group for the financial year ended 31 December 2023 included the pre-acquisition financial information in relation to each of Far Union and Ever East for the period from 1 January 2023 to 31 July 2023.*

Set out below is the audited net profit / (loss) (both before and after taxation and extraordinary items) of Far Union and Ever East respectively for the financial year ended 31 December 2023:

	Far Union	Ever East
	For the full financial year ended 31 December 2023	
	<i>(audited)</i> <i>(approximately)</i>	<i>(audited)</i> <i>(approximately)</i>
<i>Net (loss) / profit before taxation and extraordinary items</i>	<i>HK\$(451,362,000)</i>	<i>HK\$29,812,000</i>
<i>Net (loss) / profit after taxation and extraordinary items</i>	<i>HK\$(451,362,000)</i>	<i>HK\$29,812,000</i>

- (2) *The Target Group only held the Target Group Units for each of the two financial years ended 31 December 2023 and for the period from 1 January 2024 to 6 February 2024. Commencing from 7 February 2024 (being the date of completion of the Compulsory Sale), the Target Group has held the entire Target Property.*

The unaudited consolidated total assets of the Target Company as at 31 October 2024 was approximately HK\$1,758,798,000. As at 31 October 2024, the Target Group had no material assets apart from the Target Property and the Prepaid Stamp Duty and had no material liabilities other than the shareholder's loan owing to the Vendor.

The original book acquisition cost of the Sale Share to the Vendor is the insignificant nominal value of the Sale Share of US\$1.

INFORMATION ON THE PARTIES TO THE S&P AGREEMENT

The Group and the Purchaser

The principal activity of the Company is investment holding, and the principal activities of its subsidiaries are property rental, hotels and serviced apartments, food and beverage operation and travel operation. The Purchaser has not commenced any business operation since its incorporation other than entering into the S&P Agreement.

The HLD Group and the Vendor

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

LISTING RULES IMPLICATIONS

As the Vendor is an indirect wholly-owned subsidiary of Henderson Land, which in turn is the holding company of the Company holding 345,999,980 Shares (representing approximately 50.08% of the total number of issued Shares as at the date of this announcement), each of the Vendor and Henderson Land is a connected person of the Company under the Listing Rules. Accordingly, the entering into of the S&P Agreement and the Transaction constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Transaction exceeds 25% but is less than 100%, the Transaction will also constitute a major transaction of the Company under Chapter 14 of the Listing Rules.

Accordingly, the entering into of the S&P Agreement and the Transaction will be subject to the announcement, reporting, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee, comprising Dr. Timpson Chung Shui Ming, Mr. Howard Yeung Ping Leung, Mr. Benedict Sin Nga Yan and Ms. Wong Yeung Fong, all being independent non-executive Directors, has been established to consider the terms of the S&P Agreement and the Transaction, and to advise the Independent Shareholders as to whether the

terms of the S&P Agreement and the Transaction are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Mr. Wu King Cheong (“**Mr. Wu**”) and Mr. Alexander Au Siu Kee (“**Mr. Au**”), each being an independent non-executive Director, are also independent non-executive directors of Henderson Land, and Mr. Thomas Liang Cheung Biu (“**Mr. Liang**”), being an independent non-executive Director, is taken to be interested in approximately 0.02% of the total issued share capital of Henderson Land. Therefore, Mr. Wu, Mr. Au and Mr. Liang may not be independent to advise the Independent Shareholders on the S&P Agreement and the Transaction, and are not members of the Independent Board Committee.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The EGM will be held for the Independent Shareholders to consider and, if thought fit, approve the S&P Agreement and the Transaction. A circular containing, among other things, (i) further information on the S&P Agreement and the Transaction; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) the valuation report on the Target Property by the Independent Property Valuer; and (v) the notice convening the EGM and a proxy form, is expected to be despatched to the Shareholders on or before 28 February 2025 as additional time is required to compile the necessary information to be included in the circular.

WARNING

COMPLETION OF THE ACQUISITION IS SUBJECT TO THE FULFILLMENT OR WAIVER (WHERE APPLICABLE) OF THE CONDITIONS, AND MAY OR MAY NOT TAKE PLACE. SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD EXERCISE CAUTION WHEN DEALING IN THE SHARES.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context requires otherwise:

“Acquisition”	the acquisition of the Sale Interest by the Purchaser from the Vendor pursuant to the S&P Agreement
“Agreed Acquisition Value”	HK\$3,120,000,000, being the value attributed to the New Hotel upon completion of the Redevelopment as agreed between the Vendor and the Purchaser
“Applicable Hotel Licences”	has the meaning ascribed to it in the section headed “The S&P Agreement – Handover” of this announcement
“Appraised Gross Development Value”	the gross development value of the Target Property, which represents the aggregate capital value of the Target Property assuming completion of construction of the New Hotel at current price, as at 10 January 2025 according to the valuation performed by the Independent Property Valuer

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Auction”	the public auction held on 5 January 2024 pursuant to the Order For Sale
“Audited Completion Accounts”	has the meaning ascribed to it in the section headed “The S&P Agreement – Consideration and payment” of this announcement
“Authorized Person”	such authorized person (as defined in section 2(1) of the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong)) for the time being appointed by the Project Manager in such capacity in relation to the Redevelopment
“Bidding Price”	the bidding price of HK\$1,728,000,000 for the bid submitted by Far Union at the Auction for the acquisition of the Target Property under the Compulsory Sale
“Board”	the board of Directors
“Building Authority”	the Building Authority of Hong Kong
“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)
“Completion”	completion of the Acquisition
“Completion Date”	the 5th business day after the Conditions are fulfilled or waived, where applicable (or such other date as the Vendor and the Purchaser may agree in writing), on which Completion shall take place
“Completion NAV”	the amount equivalent to the total consolidated assets of the Target Company (excluding the value of the Target Property, the Prepaid Building Order Costs, the Prepaid Stamp Duty and any deferred tax assets) minus the total consolidated liabilities of the Target Company (excluding the Sale Loan and any deferred tax liabilities) as at the Completion Date, to be determined with reference to (a) the Pro Forma Completion Accounts; or (b) the Audited Completion Accounts, as the case may be
“Compulsory Sale”	the sale of the Target Property to Far Union by way of the Auction pursuant to the Order For Sale
“Compulsory Sale Ordinance”	the Land (Compulsory Sale for Redevelopment) Ordinance, Chapter 545 of the Laws of Hong Kong
“Conditions”	the conditions precedent to Completion under the S&P

	Agreement, as set out in the section headed “The S&P Agreement – Conditions” in this announcement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration for the sale and purchase of the Sale Interest pursuant to the S&P Agreement, being the Initial Consideration subject to adjustment
“Defects Liability Period”	12 months from the day on which Handover actually takes place
“Defects List”	has the meaning ascribed to it in the section headed “The S&P Agreement – Defects Liability Period” in this announcement
“Defects Rectification Certificate”	has the meaning ascribed to it in the section headed “The S&P Agreement – Defects Liability Period” in this announcement
“Director(s)”	director(s) of the Company
“Deposit”	has the meaning ascribed to it in the section headed “The S&P Agreement – Consideration and payment” in this announcement
“EGM”	an extraordinary general meeting of the Company to be held for considering and, if thought fit, approving the S&P Agreement and the Transaction
“Ever East”	Ever East Investment Limited (宇東投資有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of True Lead
“Far Union”	Far Union Investment Limited (高遠投資有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of True Lead
“Group”	the Company and its subsidiaries
“Group Units”	the undivided shares of the Target Property owned by the Group immediately before the completion of the Compulsory Sale, which represent approximately 10.00% of all the undivided shares of the Target Property
“Handover”	the delivery of vacant possession of the New Hotel by the Vendor to the Purchaser after the Redevelopment pursuant to the S&P Agreement
“Handover Date”	the date on which Handover shall take place, which shall be on or before the Latest Handover Date, or such other date as the Vendor and the Purchaser may agree in writing

“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)
“HLD Group”	Henderson Land and its subsidiaries (for the purpose of this announcement, excluding the Group and the Target Group)
“HLD Group Units”	the undivided shares of the Target Property owned by the HLD Group immediately before the completion of the Compulsory Sale, which represent approximately 8.75% of all the undivided shares of the Target Property
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board established to advise the Independent Shareholders in relation to the S&P Agreement and the Transaction, comprising Dr. Timpson Chung Shui Ming, Mr. Howard Yeung Ping Leung, Mr. Benedict Sin Nga Yan and Ms. Wong Yeung Fong, all being independent non-executive Directors
“Independent Financial Adviser”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the S&P Agreement and the Transaction
“Independent Property Valuer”	Colliers International (Hong Kong) Limited, an independent property valuer appointed by the Company for the purpose of the Transaction
“Independent Shareholders”	the Shareholders other than Henderson Land and its associates
“Initial Consideration”	HK\$3,120,000,000
“Inland Revenue Department”	the Inland Revenue Department of Hong Kong
“Key Features”	the key features of the New Hotel as set out in the section headed “The S&P Agreement – Key Features of the New Hotel” in this announcement

“Lands Tribunal”	the Lands Tribunal of Hong Kong
“Latest Handover Date”	the expiry of forty-eight (48) months after the issuance of the written acknowledgement of completion of demolition works in respect of the existing building(s) and structure(s) erected on the Target Property by the Building Authority (subject to any Unforeseeable Circumstance Time Extension)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	15 April 2025 (or such later date(s) as may be agreed in writing between the Vendor and the Purchaser)
“Lot”	the Remaining Portion of Section B of Kowloon Inland Lot No 6022
“Major Amendment”	any proposed amendment or change which in the reasonable opinion of the Authorized Person: <ul style="list-style-type: none"> (i) constitutes a major revision of the building plans under Regulation 30(3)(b) of the Building (Administration) Regulations (Chapter 123A of the Laws of Hong Kong); or (ii) constitutes any deviation from any of the Key Features (including without limitation, any deviation from the standard of any building materials, fittings, finishings and/or appliances to be adopted, used or included as specified in item 6 of the section headed “The S&P Agreement – Key Features of the New Hotel” in this announcement)
“Mira Moon Hotel”	Mira Moon Hong Kong, a hotel built and owned by the HLD Group and operated by the Group and situated at 388 Jaffe Rd, Causeway Bay, Hong Kong
“Mira Moon Standard”	the adoption, use or inclusion of such building materials, fittings, finishings and appliances the quality of which is comparable with those adopted, used or included in the relevant parts of Mira Moon Hotel as at Completion
“New Hotel”	the Lot and the new hotel cum commercial complex to be redeveloped and constructed thereon as further described in the section headed “The S&P Agreement – Construction of the New Hotel” in this announcement
“Occupation Permit”	the occupation permit in respect of the New Hotel to be issued by the Building Authority

“Order For Sale”	the order for sale made by the Lands Tribunal under its judgment dated 17 November 2023 (Land Compulsory Sale Main Application No. LDCS 21000 of 2020) in respect of the sale of the Target Property by way of the Auction for the purposes of redevelopment of the Lot pursuant to the Compulsory Sale Ordinance
“Other Units”	the undivided shares of the Target Property owned by other third parties (other than the HLD Group, the Target Group and the Group) immediately before the completion of the Compulsory Sale, which represent approximately 6.30% of all the undivided shares of the Target Property
“Prepaid Building Order Costs”	the amount which has been paid by Far Union to the Trustee’s solicitors pursuant to Section 6(1) of the Compulsory Sale Ordinance, and held by the Trustee’s solicitors as stakeholders pursuant to an undertaking given by the Trustee’s solicitors, and applied or to be applied in accordance with Section 11(2) of the Compulsory Sale Ordinance in relation to the compliance with certain building orders and notices affecting the Lot or the Target Property
“Prepaid Stamp Duty”	the stamp duty (including without limitation, buyer’s stamp duty, ad valorem stamp duty, interest, fines or penalties) paid by any member of the Target Group in relation to the acquisition of any part of the Target Property prior to the date of the S&P Agreement
“Pro Forma Completion Accounts”	the unaudited pro forma consolidated completion accounts of the Target Company, comprising the unaudited pro forma consolidated statement of financial position of the Target Company as at the Completion Date and the unaudited pro forma consolidated statement of comprehensive income of the Target Company for the period from 1 January 2024 to the Completion Date
“Project Manager”	such company within the HLD Group to be nominated by the Vendor and appointed by Far Union to act as the project manager in relation to the Redevelopment
“Purchaser”	Mira HK Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Redevelopment”	the proposed redevelopment of the Target Property into the New Hotel (including without limitation, the demolition of the existing building erected on the Target Property and construction of the New Hotel)
“Retention Money”	has the meaning ascribed to it in the section headed “The S&P Agreement – Consideration and payment” in this announcement

“Sale Interest”	the Sale Share and the Sale Loan
“Sale Loan”	the aggregate amount then outstanding and owing by the Target Company to the Vendor as at Completion
“Sale Share”	the one and only issued share in the Target Company
“Share(s)”	the issued share(s) in the Company
“Shareholder(s)”	the holder(s) of Share(s)
“S&P Agreement”	the agreement dated 15 January 2025 entered into by the Vendor (as vendor), the Purchaser (as purchaser) and Henderson Land (as the Vendor’s guarantor) in relation to the sale and purchase of the Sale Interest
“Stamp Duty Refund”	any refund of the Prepaid Stamp Duty under Section 29DD or Section 29DE of the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) by the Inland Revenue Department in response to an application to be made by the Purchaser or any member of the Group
“Statutory Redevelopment Period”	the period of six (6) years after 7 February 2024, as may be extended by the Lands Tribunal pursuant to Schedule 3 of the Compulsory Sale Ordinance
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Solution Right Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Vendor as at the date of this announcement
“Target Group”	the Target Company and its subsidiaries, namely, True Lead, Far Union and Ever East
“Target Group Units”	the undivided shares of the Target Property owned by Far Union immediately before the completion of the Compulsory Sale, which represent approximately 74.95% of all the undivided shares of the Target Property
“Target Property”	the Lot and the composite building of 10 storeys with an additional roof floor erected thereon now known as “Champagne Court (香檳大廈)” at No.16 Kimberley Road, Kowloon, Hong Kong
“The Mira Hong Kong”	The Mira Hong Kong, a hotel owned and operated by the Group and situated at 118-130 Nathan Road, Tsimshatsui, Kowloon, Hong Kong

“The Mira Hong Kong Standard”	the adoption, use or inclusion of such building materials, fittings, finishings and appliance the quality of which is comparable with those adopted, used or included in the relevant parts of The Mira Hong Kong as at Completion
“Transaction”	the Acquisition and the transactions contemplated under the S&P Agreement
“True Lead”	True Lead Developments Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Target Company
“Trustee”	the trustees appointed by the Lands Tribunal from time to time to discharge the duties imposed on trustees under the Compulsory Sale Ordinance in relation to the Order For Sale
“Unforeseeable Circumstance Time Extension”	<p>such extension(s) of time for the Latest Handover Date as may be granted by the Authorized Person and certified by him as appearing to him to be reasonable having regard to delays caused exclusively by any of the following unforeseeable event or occurrence that is beyond the reasonable control of the Vendor:</p> <ul style="list-style-type: none"> (i) strike or lock-out of workmen or industrial disturbances not instigated by the HLD Group; (ii) riots or civil commotion; (iii) force majeure or Act of God; (iv) fire or other accident beyond the Vendor's control; (v) war or terrorism; (vi) epidemic, pandemic, quarantine or health-related restrictions imposed by the Government; (vii) inclement weather (which for such purpose, shall mean rainfall in excess of 20 millimetres in a twenty-four hour period (midnight to midnight) as recorded at the Hong Kong Observatory, the issuance of a “black” rainstorm warning signal or the hoisting of a tropical cyclone warning signal no. 8 or above or “extreme conditions” caused by a super typhoon announced by the Government; (viii) change of any applicable law or regulation or any embargo affecting the Redevelopment; or (ix) unavailability of essential labour, materials, or transportation not due to the negligence of the HLD Group.

“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Kinsford International Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Henderson Land
“%”	per cent

By Order of the Board
Lai Ho Man, Dickson
Company Secretary

Hong Kong, 15 January 2025

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