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

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

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

Reference is made to the announcement of the Company dated 14 November 2018 in relation to the Existing Tenancy Agreement which was entered into between Shahdan as landlord and Union Medical as tenant. Such Existing Tenancy Agreement constitute continuing connected transaction of the Company and will expire on 31 January 2022.

The Board announces that on 9 November 2021, the Renewal of Tenancy Agreement was entered into between Shahdan as landlord and Union Medical as tenant, which constitutes continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As at the date of this announcement, so far as the Directors are able to ascertain after making reasonable enquiries, Union Medical is a company indirectly controlled by the private trusts of the family of Dr. Lee Shau Kee, a substantial shareholder of the Company. Accordingly, Union Medical is a Connected Person of the Company thereby rendering the Renewal of Tenancy Agreement continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

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

The Board announces that Shahdan and Union Medical have entered into the following Renewal of Tenancy Agreement on 9 November 2021, particulars of which are set out below:

MAJOR TERMS OF THE RENEWAL OF TENANCY AGREEMENT

Signing date : 9 November 2021

Parties : Shahdan as landlord
Union Medical as tenant

- Premises : Units 1801-07 and 1812-18 on 18th Floor, Mira Place Tower A, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
- Term : Three years, commencing from 1 February 2022 to 31 January 2025 (both days inclusive). Both the landlord and the tenant shall have the right to early terminate this tenancy agreement by giving a notice of not less than one month to the other party.
- Rent-free period : No rent shall be payable by the tenant for the initial period of 74 days starting from and inclusive of the lease commencement date provided that the management fee and air-conditioning charges, government rates and other outgoings shall still be paid by the tenant during the rent-free period.
- Rent and other charges : The rent payable on a monthly basis (exclusive of government rates, management fee and air-conditioning charges) (payable in advance on the 1st day of each month) during the term is HK\$1,469,000.
- The aggregate monthly management fee and air-conditioning charges (subject to the periodic review or revision by Shahdan or its designated property manager) (payable in advance on the 1st day of each month) is HK\$237,978.
- Extra chilled water supply costs may be charged by Shahdan to Union Medical for additional chilled water supply required by Union Medical which is beyond the specified normal daily chilled water supply hours
- User : To be used as a clinic only to be staffed by any combination of the specialist physicians specializing in Surgery, Cardiology, Urology, Chest Specialist, Orthopaedics, Obstetrics & Gynaecology, Ophthalmology, and Ear, Nose, Throat Surgery, Plastic and Cosmetic Surgery, Dermatology & Surgery, Health Check, Endoscopy Clinic, IVF Laboratory & Reproductive Medicine Centre, Child Assessment Clinic, Medical Imaging Centre, Dental Clinic, Internal Medicine, Conference Room.

REASONS FOR ENTERING INTO THE RENEWAL OF TENANCY AGREEMENT

Mira Place Tower A is held by the Group as an investment for rental purposes. The Directors (including the independent non-executive Directors) are of the opinion that the Renewal of Tenancy Agreement was entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The terms of the Renewal of Tenancy Agreement were determined after arm's length negotiations between the parties and the rent is determined by reference to market rental of the Premises endorsed by a valuation certificate dated 5 October 2021 by Cushman & Wakefield Limited, an independent property valuer. The other terms of the Renewal of Tenancy Agreement were determined with reference to a standard tenancy agreement which is also used in relation to other leases with other tenants of Mira Place Tower A.

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

LISTING RULES IMPLICATIONS

As at the date of this announcement, so far as the Directors are able to ascertain after making reasonable enquiries, Union Medical is a company indirectly controlled by the private trusts of the family of Dr. Lee Shau Kee, a substantial shareholder of the Company. Accordingly, Union Medical is a Connected Person of the Company thereby rendering the Renewal of Tenancy Agreement continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

Since Mr. Lee Ka Shing, being the Chairman and Chief Executive Officer of the Company, through companies indirectly controlled by the private trusts of the family of Dr. Lee Shau Kee, is deemed to be interested in the shares in Union Medical, he has material interest in the Renewal of Tenancy Agreement. The Board had delegated the power to consider and approve all connected transactions of the Company to the Company's Audit Committee. As Mr. 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 Renewal of Tenancy Agreement.

As the Existing Tenancy Agreement and the Renewal of Tenancy Agreement are entered into by Shahdan with the same Connected Person, namely, Union Medical and these tenancy agreements related to the same building, they are regarded as related transaction and therefore are treated as if they were one transaction pursuant to Rule 14A.81 of the Listing Rules. The aggregate annual rental and other charges (exclusive of Government rates) payable by Union Medical to the Group under the Transactions for each of the financial years ending 31 December 2022, 2023, 2024 and 2025 will be subject to the cap amounts of HK\$20,040,000, HK\$24,360,000, HK\$24,500,000 and HK\$2,060,000 respectively. The cap amounts are determined with reference to the annual rent, management fees, air-conditioning charges and chilled water supply costs (including possible increment of management fees, air-conditioning fees and extra chilled water supply charges) payable by Union Medical to the Group under the Transactions for each of the financial years ending 31 December 2022, 2023, 2024 and 2025. The breakdown of the cap amounts under the Transactions are as follows:

	Year ending 31 December 2022 HK\$	Year ending 31 December 2023 HK\$	Year ending 31 December 2024 HK\$	Year ending 31 December 2025 HK\$
Existing Tenancy Agreement	2,040,000	---	---	---
Renewal of Tenancy Agreement	<u>18,000,000</u>	<u>24,360,000</u>	<u>24,500,000</u>	<u>2,060,000</u>
Total	20,040,000	24,360,000	24,500,000	2,060,000
	=====	=====	=====	=====

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

GENERAL

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

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Miramar Hotel and Investment Company, Limited 美麗華酒店企業有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 71)
“Connected Person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Tenancy Agreement”	the tenancy entered into between Shahdan as landlord and Union Medical as tenant in respect of the premises located at Units 1801-18 on 18th Floor, Mira Place Tower A, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong dated 14 November 2018, for a term of three years from 1 February 2019 to 31 January 2022, but Units 1808-11 was surrendered by signing an Agreement for Partial Surrender on 30 August 2019.
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Premises”	Units 1801-07 and 1812-18 on 18th Floor, Mira Place Tower A, 132 Nathan Road, Tsimshatsui, Kowloon, Hong Kong
“Renewal of Tenancy Agreement”	the tenancy agreement entered into between Shahdan as landlord and Union Medical as tenant in respect of the Premises dated 9 November 2021
“Shahdan”	Shahdan Limited 正信有限公司, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed thereto under the Listing Rules
“Transactions”	collectively, the transactions contemplated under the Existing Tenancy Agreement and Renewal of Tenancy Agreement
“Union Medical”	Union Medical Centre Limited (仁安醫院有限公司), a company incorporated in Hong Kong with limited liability, the principal activity of which is the operation of a hospital and clinics
“%”	per cent

By Order of the Board
 Chu Kwok Sun
 Corporate Secretary

Hong Kong, 9 November 2021

As at the date of this announcement, (i) the executive directors are Mr. 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.