

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**MIRAMAR GROUP**  
美麗華集團

**MIRAMAR HOTEL AND INVESTMENT COMPANY, LIMITED**

*(incorporated in Hong Kong with limited liability)*

(Stock code: 71)

**CONTINUING CONNECTED TRANSACTIONS  
IN RESPECT OF NEW SUB-LEASE AND LICENCE AT IFC MALL**

Reference is made to the Announcement of the Company dated 20 August 2010 relating to a continuing connected transaction concerning the entering into in respect of the Existing Sub-Lease and Licences between Profit Advantage Limited, a wholly-owned subsidiary of the Company as tenant and IFC Development Limited as landlord, whereby the Landlord agreed to sub-lease to the Tenant the Premises and Licences.

The Existing Sub-Lease and Licences has expired on 6 July 2013. The Board announces that the Group entered into a New Sub-Lease with IFC Development Limited for a term of 3 years commencing from 7 July 2013 to 6 July 2016 at a basic rent of HK\$836,594.00 per month plus the Turnover Rent (exclusive of rates, air-conditioning and management charges, promotional levy and all other outgoings (if any)). Certain floor space at the ifc Mall are also being licenced by the Landlord to the Tenant on an annual basis (or such shorter period as may be agreed between the Landlord and the Tenant), at an aggregate licence fee of HK\$9,890.40 (inclusive of air-conditioning and management charges and promotion levy) per month, which will be subject to termination upon termination of the New Sub-Lease.

As the Landlord is an associate of Henderson Land Development Company Limited, a substantial shareholder of the Company, it is a connected person of the Company, thereby rendering the transactions contemplated under the New Sub-Lease and Licences continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Since the relevant percentage ratios for the transactions contemplated under the New Sub-Lease and Licences, if aggregated with the transactions contemplated under the Existing Sub-Lease and Licences, will be more than 0.1% but less than 5% on an aggregated and annual basis, in accordance with Rule 14A.34 of the Listing Rules, the transactions contemplated under the New Sub-Lease and Licences are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirement.

**DETAILS OF THE NEW SUB-LEASE AND LICENCES**

Signing date: 19 November 2013.

Parties: Profit Advantage Limited, a wholly-owned subsidiary of the Company, as tenant (in respect of the New Sub-Lease) and as

licencee (in respect of the Licence);

IFC Development Limited, an associate of Henderson Land Development Company Limited, as landlord (in respect of the New Sub-Lease) and as licensor (in respect of the Licence).

**Location:** Shop Nos. 3101-3107 on Level Three of ifc Mall and certain floor space at ifc Mall.

**Term:** Initial term of three years commencing from 7 July 2013 to 6 July 2016 (“the Initial Term”) and, for the Licence, on an annual basis (and/or such shorter period as may be agreed between the Landlord and the Tenant) subject to termination upon termination of the New Sub-Lease.

**Rent and other charges:** The rent payable on monthly basis (exclusive of rates, air-conditioning and management charges, promotional levy and all other outgoings) during the term shall be as follows:

- (i) From 7 July 2013 to 6 July 2016, basis rent in the sum of HK\$836,594.00 per month together with turnover rent representing the amount by which 11% of the Gross Receipts exceeds the basic rent per month (the “Turnover Rent”);
- (ii) From 7 July 2016 to 6 July 2019, provided an option (as defined below) is exercised by the Tenant, at open market rent provided that the basic rent shall not be less than HK\$836,594.00 per month or more than HK\$1,003,912.80 per month, together with the Turnover Rent.

The aggregate air-conditioning and management charges and promotional levy payable on monthly basis in respect of the New Sub-Lease shall be approximately HK\$435,736.00 per month (subject to review from time to time). The aggregate licence fee, air-conditioning and management charges and promotional levy payable on a monthly basis in respect of the Licence shall be approximately HK\$9,890.40 per month (subject to review from time to time).

**Option:** An option exercisable by the Tenant at the expiry of the Initial Term on 6 July 2016 to renew the sub-lease of the Premises for three years. The parties will enter into new agreement(s) upon the Tenant exercising the renewal option..

## **REASONS FOR THE TRANSACTIONS**

The Company, through its wholly-owned subsidiary, Profit Advantage Limited, has commenced operating two up-market restaurants at the Premises since February 2005 and the Directors (including independent non-executive Directors) are of the opinion that ifc Mall, being a landmark in Hong Kong located in the city center, is an ideal location for the Company to continue to operate the two up-market restaurants and to bring profits to the Group. The certain floor space under the Licence are used in connection with the restaurant business and the Directors (including independent non-executive

Directors) are of the opinion that the use of the certain floor space are desirable for the operation of the restaurant business in ifc Mall.

The terms of the Transactions were determined after arm's length negotiations between the parties. The basic rent for the New Sub-Lease is determined with reference to the open market rent for the Premises as agreed between the Landlord and the Group. The Licence fees and other charges are determined between the Landlord and the Group after making reference to the licence fees and other charges payable for similar premises and licences in ifc Mall.

The Directors (including independent non-executive Directors) are of the opinion that the Transactions 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 Landlord is an associate of Henderson Land Development Company Limited, a substantial shareholder of the Company, it is a connected person of the Company, thereby rendering the transactions contemplated under the New Sub-Lease and Licence continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Since both Dr. Lee Shau Kee and Mr. Lee Ka Shing, being Directors, through companies indirectly controlled by the private trust of the family of Dr. Lee Shau Kee, are deemed to be interested in the shares in Henderson Land Development Company Limited, they have material interest in the Transactions. The Board had delegated the power to consider and approve all connected transactions of the Company to the Company's Audit Committee. As both Dr. Lee Shau Kee and Mr. Lee Ka Shing are not members of the Audit Committee, they have not voted on the relevant board resolution(s) in respect of the Transactions.

The aggregate of the annual rent, licence fee, air-conditioning and management charges and promotional levy (if applicable) payable by the Tenant to the Landlord in respect of the Transactions for each of the financial years ended 31 December 2013, 2014, 2015 and 2016 will be subject to the cap amounts of HK\$16,000,000, HK\$18,000,000, HK\$20,000,000 and HK\$11,000,000 respectively. The cap amounts are determined with reference to the estimated aggregate of the annual basic rent, annual Turnover Rent, annual licence fee, annual air-conditioning and annual management charges and annual promotional levy (if applicable) payable in respect of the Transactions. In determining the annual Turnover Rent for the cap amounts, the Company estimates the Gross Receipts by reference to the total Gross Receipts for the last financial year and its estimated annual growth.

The breakdown of the cap amounts for the aggregate annual rental and other charges payable by the Tenant to the Landlord under the Transactions are as follows:

	Year ending 31 December 2013 HK\$	Year ending 31 December 2014 HK\$	Year ending 31 December 2015 HK\$	Year ending 31 December 2016 HK\$
Existing Sub-Lease and Licence	6,800,000	---	---	---
New Sub-Lease and Licence	<u>9,200,000</u>	<u>18,000,000</u>	<u>20,000,000</u>	<u>11,000,000</u>
Total	<u>16,000,000</u>	<u>18,000,000</u>	<u>20,000,000</u>	<u>11,000,000</u>

Since the relevant percentage ratios for the transactions contemplated under the New Sub-Lease and Licence, if aggregated with the transactions contemplated under the Existing Sub-Lease and Licence, will be more than 0.1% but less than 5% on an aggregated and annual basis, in accordance with Rule 14A.34 of the Listing Rules, the transactions contemplated under the New Sub-Lease and Licence are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirement.

## GENERAL

The Group's principal activities consist of hotel business, food and beverage operations, travel operation, property business and apparel business.

The principal activities of Henderson Land Development Company Limited and its subsidiaries are property development and investment, property leasing, finance, building construction, infrastructure business, hotel operation, department store operation, project management, property management and investment holding.

## DEFINITIONS

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

“Associate”	has the meaning ascribed thereto under the Listing Rules
“Company”	Miramar Hotel and Investment Company, Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of Stock Exchange
“Directors”	the directors of the Company
“Existing Sub-Lease”	the sub-lease dated 22 July 2010 entered into between the Landlord and the Tenant in respect of the Premises for a term of 3 years commencing from 7 July 2010 to 6 July 2013 at a basic rent of HK\$697,161.60 per month plus the additional rent calculated as the excess of 10% of the Gross Receipts against the basic rent of HK\$697,161.60 per month

“Gross Receipt”	the gross amount of all sums billed or received in the course of the Tenant’s business conducted at the Premises excluding 10% service charge
“Group”	the Company and its subsidiaries
“ifc Mall”	ifc Mall (Retail Accommodation on Site R of Inland Lot No.8898) in Hong Kong, being the premises leased to the Landlord from MTR Corporation Limited under a head lease in 2003
“Landlord”	IFC Development Limited, a company incorporated in British Virgin Islands with limited liability and is an associate of Henderson Land Development Company Limited and a connected person of the Company
“Licence”	licence of certain floor space at ifc Mall being obtained and/or which may be obtained by the Tenant from the Landlord.
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Sub-Lease”	A sub-lease for a term of three years commencing from 7 July 2013 to 6 July 2016 at a basic rent of HK\$836,594.00 per month plus Turnover Rent
“Premises”	Shop Nos. 3101-3107 on Level Three of ifc Mall (Retail Accommodation on Site R of Inland Lot No. 8898) being the premises leased to the Landlord from MTR Corporation Limited under a head lease in 2003 and sub-leased to the Tenant under the New Sub-Lease
“Tenant”	Profit Advantage Limited, a wholly-owned subsidiary of the Company
“Transactions”	the continuing connected transactions between the Landlord and the Tenant under the Existing Sub-Lease and Licence and the New Sub-Lease and Licence
“Turnover Rent”	the additional rent calculated as the excess of 11% of Gross Receipts against the basic rent of HK\$836,594.00 per month

By Order of the Board  
 Chu Kwok Sun  
*Corporate Secretary*

Hong Kong, 19 November 2013

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