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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
CAR PARK CONSULTANCY AGREEMENT**

THE NEW AGREEMENT

Reference is made to the announcement of the Company dated 30 July 2021 in relation to the Existing Agreement. Such Existing Agreement will expire on 31 July 2023.

The Board announces that on 25 July 2023, Whirlwind Security (a wholly-owned subsidiary of the Company) (as Consultant) entered into the New Agreement with E. M. Parking (as service user), pursuant to which E. M. Parking agreed to appoint Whirlwind Security for the provision of car park consultancy and management services.

LISTING RULES IMPLICATIONS

As E. M. Parking is an indirect wholly-owned subsidiary of Henderson Land, which in turn is a holding company of the Company, E. M. Parking is an associate of Henderson Land and thus a connected person of the Company under the Listing Rules. The entering into of the New Agreement therefore constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

Given that one of the applicable percentage ratios in respect of the highest annual cap of the Amounts Payable by E. M. Parking to the Consultant under the New Agreement exceeds 0.1% but all of them are less than 5%, the New Agreement is subject to the reporting, announcement and annual review requirements but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

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DETAILS OF THE NEW AGREEMENT

The principal terms of the New Agreement are set out as follows:-

- Date : 25 July 2023
- Parties : Whirlwind Security Limited, a wholly-owned subsidiary of the Company, as Consultant; and
E. M. Parking Limited, an associate of Henderson Land, as service user
- Services : The Consultant shall provide professional consultancy advice and manage and operate the Parking Facility at the Property
- Term : Two years commencing from 1 August 2023 to 31 July 2025 (both days inclusive)
- Consideration and payment of Costs-on-Account : E. M. Parking shall pay the Consultancy Fee and Incentive Fee (if any) to the Consultant as consideration for the provision of services under the New Agreement. The Direct Operating Expenses shall also be borne by E. M. Parking. Costs-on-Account shall be deposited by E. M. Parking with the Consultant quarterly to the Consultant's designated bank account, which will be used by the Consultant to pay for the Direct Operating Expenses as and when needed. Any remaining Costs-on-Account shall be refunded to E. M. Parking by the Consultant within fourteen business days after the expiration or sooner determination of the New Agreement.
- Payment mechanism : E. M. Parking will deposit the amount of the monthly Consultancy Fee and Incentive Fee (if any) to the Consultant's designated bank account within fourteen business days after submission of the monthly financial report by the Consultant.

- Termination : The New Agreement may be terminated:
- (i) if E. M. Parking or the Consultant is in material breach of any of its obligations under the New Agreement;
 - (ii) forthwith without notice if either Party is unable to pay its debts, make a composition with or general assignment for the benefit of its creditors, has an order made or an effective resolution passed for its winding-up, has possession taken by an encumbrance of, or a receiver appointed over, the whole or any substantial part of its assets or cease to carry on the whole or substantially the whole of its business; or
 - (iii) by either Party by serving the other Party a three months' advance written notice.

BASIS OF DETERMINATION OF THE ANNUAL CAPS

In determining the rate of the Consultancy Fee and the Incentive Fee, the Company has taken into account the prevailing market rate of consultancy fee and incentive fee for similar type of car park consultancy and management services. In determining the annual caps for the Amounts Payable, the Company has taken into account (i) the estimated annual amount of Costs-on-Account payable by E. M. Parking to the Consultant taking into account the annual costs of operating the Parking Facility with reference to the amounts of the expenses that may be incurred in relation to the items under the Direct Operating Expenses; (ii) the estimated annual Consultancy Fee calculated based on the estimated Direct Operating Expenses which may be payable by E. M. Parking to the Consultant; and (iii) the estimated annual Incentive Fee calculated based on the estimated Monthly Gross Revenue.

The following table sets out the annual cap amounts of the Amounts Payable for the respective financial year below:

	Year ending 31 December 2023 <i>HK\$</i>	Year ending 31 December 2024 <i>HK\$</i>	Year ending 31 December 2025 <i>HK\$</i>
Existing Agreement	3,100,000	---	---
New Agreement	2,300,000	5,700,000	3,400,000
Total	<u>5,400,000</u>	<u>5,700,000</u>	<u>3,400,000</u>

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW AGREEMENT

The Company considers that the entering into of the New Agreement will generate revenue for the Group as well as promote the e-Parking and professional car park management services of the Group. The provision of the consultancy and management services under the New Agreement is the Group's first project to provide services of this kind to car park facility outside the Group, which will build up a good reference or profile for the Group's consultancy and management business in this area.

The terms of the New Agreement were determined after arm's length negotiations between the Parties. The Directors (including the independent non-executive Directors) are of the opinion that the New Agreement was entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms after arm's length negotiations between the Parties; and (iii) on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As E. M. Parking is an indirect wholly-owned subsidiary of Henderson Land, which in turn is a holding company of the Company, E. M. Parking is an associate of Henderson Land and thus a connected person of the Company under the Listing Rules. The entering into of the New Agreement therefore constitutes a continuing connected transaction 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 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 Agreement.

Given that one of the applicable percentage ratios in respect of the highest annual cap of the Amounts Payable by E. M. Parking to the Consultant under the New Agreement exceeds 0.1% but all of them are less than 5%, the New Agreement is subject to the reporting, announcement and annual review requirements but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The principal activity of the Company is investment holding, and the principal activities of its subsidiaries consist of property rental, hotels and serviced apartments, food and beverage operation and travel operation. The principal activities of Whirlwind Security are provision of security and consultancy services.

The principal activities of E. M. Parking are car park operation and management. 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 have the following meanings in this announcement:

“Amounts Payable”	the Consultancy Fee, Incentive Fee and Costs-on-Account payable by E. M. Parking to the Consultant under the New Agreement
“associate”	has the meaning ascribed thereto under the Listing Rules
“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
“Consultant”	Whirlwind Security
“Consultancy Fee”	a monthly fee at the rate of 12% of the Direct Operating Expenses
“Incentive Fee”	<p>The incentive fee is calculated as follows:</p> <ul style="list-style-type: none">(i) where the Monthly Gross Revenue does not exceed HK\$2,000,000, incentive fee is 3% on the Monthly Gross Revenue over HK\$1.2 million;(ii) where the Monthly Gross Revenue exceeds HK\$2,000,000, incentive fee is HK\$24,000 plus 4% on the Monthly Gross Revenue over HK\$2 million <p>provided that the aggregate amount of Consultancy Fee and Incentive Fee payable to the Consultant by E. M. Parking in any particular month shall not exceed HK\$90,000.</p>

“Costs-on-Account”

the costs-on-account deposited by E. M. Parking with the Consultant quarterly to the Consultant’s designated bank account in such amount as may be mutually agreed between the Parties for the payment of the Direct Operating Expenses

“Direct Operating Expenses”

all costs and expenses relating to the management and operation of the Parking Facility, including but not limited to the following and any other costs and expenses as may be agreed between the Parties from time to time:

- (i) the costs associated with any subcontracted services, including but not limited to cleaning, security, repair and maintenance services;
- (ii) direct costs, including salary and any staff employment benefits, attributable to all personnel engaged in the management and operation of the Parking Facility;
- (iii) insurance required by law and/or necessary for the operation of the Parking Facility;
- (iv) all costs associated with the signage located in the Parking Facility;
- (v) external accounting and audit fee;
- (vi) the cost of tickets, office equipment and stationery;
- (vii) cash and e-payment collection services;
- (viii) installation and rental of telephone, colour photocopier, fax machine and broadband;
- (ix) the cost of uniforms, badges and laundry service;
- (x) marketing and promotion expenses;
- (xi) travel and transportation expenses;
- (xii) all other equipment, sundries and expenditures

For the avoidance of doubt, for the purpose of calculating the Consultancy Fee, “Direct Operating Expenses” shall exclude fees, charges and commissions payable to service providers for transactions relating to the use of the Parking Facility (e.g. any fees, charges and commissions charged for making payment with credit cards, Octopus card, Alipay, WeChat and other electronic payment methods).

“Directors”	the directors of the Company
“E. M. Parking”	E. M. Parking Limited, a company incorporated in Hong Kong with limited liability and is an associate of Henderson Land and a connected person of the Company
“Existing Agreement”	the car park consultancy agreement entered into between Whirlwind Security and E. M. Parking on 30 July 2021 for the provision of professional consultancy advice by Whirlwind Security to E. M. Parking and the management and operation of the Parking Facility at the Property by Whirlwind Security
“Gross Revenue”	<p>the revenue from all services or sources derived from or upon the Parking Facility (whether by cash or credit) but excluding:</p> <p>(i) the net amount of discounts actually allowed to any customer in the usual course of business; and</p> <p>(ii) written off uncollectable credit accounts unless they are subsequently recovered then the amount will be included in the Gross Revenue for the month in which they are recovered</p>
“Group”	the Company and its subsidiaries
“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)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Agreement”	the car park consultancy agreement entered into between Whirlwind Security and E. M. Parking on 25 July 2023 for the provision of professional consultancy advice by Whirlwind Security to E. M. Parking and the management and operation of the Parking Facility at the Property by Whirlwind Security

“Parking Facility”	All parking spaces from B3 Floor to 6 th Mezzanine Floor of the Property (including all the ramps, drive ways and roadways providing access thereto and egress therefrom) and the Parking Service Centre on 1 st Floor which are owned by the Henderson Group
Parties” or “Party”	parties to the New Agreement and, each of them, a Party
“Property”	H Zentre, 15 Middle Road, Tsimshatsui, Kowloon, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Whirlwind Security”	Whirlwind Security Limited (華威護衛有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

By Order of the Board
Chu Kwok Sun
Corporate Secretary

Hong Kong, 25 July 2023

As at the date of this announcement, (i) the executive Directors are Dr. Lee Ka Shing, Mr. Richard Tang Yat Sun, Dr. Colin Lam Ko Yin, Mr. Norman Ho Hau Chong and Mr. Eddie Lau Yum Chuen; (ii) the non-executive Directors are Dr. Patrick Fung Yuk Bun and Mr. Dominic Cheng Ka On; and (iii) the independent non-executive Directors 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 and Mr. Benedict Sin Nga Yan.