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MIDLAND REALTY (HOLDINGS) LIMITED

美聯物業（集團）有限公司

(Incorporated in Bermuda with limited liability)

Stock code: 1200



EVI Education Asia Limited

EVI教育亞洲有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8090

**(1) PROPOSED SUBSCRIPTION OF
4,300,000,000 NEW SHARES OF
EVI EDUCATION ASIA LIMITED
BY MIDLAND REALTY (HOLDINGS) LIMITED**

**(2) APPLICATION FOR WHITEWASH WAIVER
FROM THE OBLIGATION TO MAKE A MANDATORY GENERAL OFFER
TO ACQUIRE SHARES IN EVI EDUCATION ASIA LIMITED
NOT ALREADY OWNED OR AGREED TO BE ACQUIRED
BY MIDLAND REALTY (HOLDINGS) LIMITED
AND PARTIES ACTING IN CONCERT WITH IT**

(3) RESUMPTION OF TRADING

FINANCIAL ADVISER TO
MIDLAND REALTY (HOLDINGS) LIMITED



FINANCIAL ADVISER TO
EVI EDUCATION ASIA LIMITED



SOMERLEY LIMITED

INDEPENDENT FINANCIAL ADVISER TO
THE INDEPENDENT BOARD COMMITTEE AND INDEPENDENT SHAREHOLDERS OF
EVI EDUCATION ASIA LIMITED



AMS Corporate Finance Limited

1. THE SUBSCRIPTION

1.1 Introduction

Pursuant to the Subscription Agreement, the Subscriber, an indirect wholly-owned subsidiary of Midland, has conditionally agreed to subscribe for 4,300,000,000 new EVI Shares at the subscription price of HK\$0.025 per EVI Share.

The 4,300,000,000 new EVI Shares represent (i) approximately 107.50% of the issued share capital of EVI as at the date of this announcement, or (ii) approximately 51.81% of the issued share capital of EVI as enlarged by the Subscription.

Immediately upon completion of the Subscription Agreement, the shareholding in EVI of the Subscriber will increase from 0% to approximately 51.81%.

1.2 Relationship among the parties

To the best of the Midland Directors' knowledge, information and belief, and after having made all reasonable enquiry, EVI is an independent third party to Midland, is not a connected person of Midland and is not connected to the directors, chief executive, substantial shareholder of Midland, or its subsidiaries and their respective associates, or their connected persons.

* For identification purposes only

To the best of the EVI Directors' knowledge, information and belief, and after having made all reasonable enquiry, each of the Subscriber and Midland is an independent third party to EVI, is not a connected person of EVI and is not connected to the directors, chief executive, substantial and management shareholder of EVI, or its subsidiaries and their respective associates, or their connected persons.

1.3 The issue price of the EVI Shares

The new EVI Shares will be issued at a price of HK\$0.025 per EVI Share, which represents:

- a) a discount of approximately 58.33% to the closing price of HK\$0.06 per EVI Share on 24 January 2005, the last trading day prior to suspension of trading in the EVI Shares on 25 January 2005 pending the issue of this announcement;
- b) a discount of approximately 53.70% to the average closing price of HK\$0.054 per EVI Share, as quoted on the Stock Exchange for the last 5 trading days up to and including 24 January 2005; and
- c) a premium of approximately 431.91% to the audited net tangible asset value per EVI Share of approximately HK\$0.0047.

1.4 Conditions precedent of the Subscription Agreement

Completion of the Subscription Agreement is conditional upon, inter alia:

- a) the Listing Committee of GEM granting the listing of, and permission to deal in, the 4,300,000,000 new EVI Shares;
- b) the Executive granting the Whitewash Waiver to Midland and parties acting in concert with it from their obligations, as a result of the Subscription, to make a general offer for all of the issued shares other than those already owned or agreed to be subscribed by them under Note 1 on dispensations from Rule 26 of the Takeovers Code; and
- c) the EVI Independent Shareholders approving (i) the issue and allotment of the 4,300,000,000 new EVI Shares contemplated under the Subscription Agreement; and (ii) the grant of the Whitewash Waiver at the Extraordinary General Meeting.

The above are only the major conditions of the Subscription Agreement. For more details, please refer to paragraph "2. The Subscription Agreement" below. The Subscriber may at its absolute discretion waive all or any of the conditions set out in the Subscription Agreement (other than conditions a), b) and c) mentioned above) at any time by notice in writing to EVI.

In the event that the conditions of the Subscription Agreement are not fulfilled or are waived by 5:00 p.m. on the day falling three (3) calendar months from the date of the Subscription Agreement or such later date as may be agreed by the parties to the Subscription Agreement in writing, the Subscriber or EVI will be entitled by written notice to rescind and terminate the Subscription Agreement.

1.5 Application for listing

An application will be made by EVI to the Listing Committee of GEM for the listing of, and permission to deal in, the 4,300,000,000 new EVI Shares to be issued pursuant to the Subscription Agreement.

1.6 Basis of negotiation and the reasons for and benefits of the Subscription

The terms of the Subscription Agreement were arrived at after arm's length negotiation between the parties involved.

The net proceeds from the Subscription are estimated to be approximately HK\$104.5 million. Given Hong Kong's improving economic outlook, which is partly resulted from, among other things, various Government sponsored stimulus programs/administrative policies (namely the Closer Economic Partnership Arrangements and the relaxation on PRC nationals to visit Hong Kong), the Midland Directors have seen an increasing flow of positive economic data (such as the increase in number of real estate transactions, the reduced unemployment rate and the slight rise in consumer price index) over recent months and believe that via the Subscription, Midland will gain an additional platform for building up new businesses (including, but not limited to, property investment and property management, and the development and promotion of on-line training programs for real-estate brokers and related licence examinations in Hong Kong, Macau and/or the PRC) as and when opportunities arise. As at the date of this announcement, the aforesaid are business plans developed by the Subscriber, and no targets or concrete plans have been identified and/or finalised yet.

In view of the expertise and experience of the EVI Group in developing and marketing computer training and internet education services, Midland believes that EVI is an appropriate platform upon which to develop and promote on-line training programs for the practitioners in the real estate broking business and/or other regulated/licensed servicing industries in Hong Kong, Macau and/or the PRC. As continued professional training is an essential element for enhancing employees' competitiveness in today's business environment, Midland believes that by investing in EVI (a professional in the on-line training and internet education service), Midland will be able to pursue this new growing business (under an established separate entity) for the benefit of Midland.

After taking into account the reasons and benefits of the Subscription as mentioned above from Midland's perspective, the recent market price of the EVI Shares, and the financial position of EVI and the terms and conditions of the Subscription Agreement, the Midland Directors (including the independent non-executive Midland Directors) are of the view that the terms of the Subscription Agreement (including the issue price per EVI Share) are fair and reasonable, and that the Subscription is in the interests of Midland and the Midland Shareholders as a whole.

The EVI Group recorded audited consolidated losses for the two years ended 30 September 2003 and 2004 of approximately HK\$9.5 million and HK\$4.2 million respectively. The EVI Directors believe that the Subscription will provide EVI the funding needed to diversify into various new businesses, including, but not limited to, property management and property investment (businesses in which the management of Midland has experience and there are positive economic data as mentioned in paragraph 3.2 below to support the improving outlook for property related businesses), as well as on-line professional training services (also mentioned in paragraph 3.2 below the potentials of the development and promotion of on-line training programs for real-estate brokers and related license examinations in Hong Kong, Macau and/or the PRC), which in turn, will ultimately enhance the EVI Group's revenue stream. On this basis, the EVI Directors (excluding the independent non-executive EVI Directors) consider that the Subscription Agreement is in the interests of EVI and the EVI Shareholders as a whole. After having considered the recent share price performance of EVI, and in particular the thin trading volume of the EVI Shares, the EVI Directors (excluding the independent non-executive EVI Directors) are of the view that the terms of the Subscription Agreement, including the issue price of HK\$0.025 per EVI Share, are fair and reasonable. The independent non-executive EVI Directors will express their views on the Subscription Agreement and the Whitewash Waiver in the EVI Circular after considering the opinion of the independent financial adviser to the independent board committee of EVI and the EVI Independent Shareholders.

1.7 Main Board Listing Rules and GEM Listing Rules implications

The Subscription does not constitute any form of notifiable transaction for Midland under the requirements as prescribed in the Main Board Listing Rules.

The Subscription does not constitute any form of notifiable transaction for EVI under the requirements as prescribed in the GEM Listing Rules.

2. WHITEWASH WAIVER APPLICATION

As the shareholding of the Subscriber in EVI will, as a result of the Subscription, be increased from 0% to approximately 51.81%, unless the Whitewash Waiver is granted by the Executive, an obligation to make a general offer for all of the issued shares of EVI other than those already owned or agreed to be subscribed by the Subscriber and parties acting in concert with it will arise under Rule 26 of the Takeovers Code.

An application will be made by Midland and parties acting in concert with it to the Executive regarding the dispensation from compliance with Rule 26 of the Takeovers Code by Midland and parties acting in concert with it as a result of Completion. The granting of the Whitewash Waiver will be subject to approval by the EVI Independent Shareholders (i.e. excluding those shareholders who are interested in or are involved in the Subscription Agreement – as Summerview, Mr. Pong Wai San, Wilson and their respective associates are involved in the Subscription Agreement, they are not considered to be EVI Independent Shareholders) through votes taken by way of a poll at the Extraordinary General Meeting.

3. CONTINUE LISTING OF EVI ON GEM

It is the intention of the Subscriber to maintain the listing of EVI on GEM.

It should be noted that upon Completion, there will be insufficient public float for the EVI Shares (if no action or arrangement, such as placing of existing EVI Shares, has been made to maintain the public float of EVI to be not less than 20%) and therefore trading in the EVI Shares may be suspended until a sufficient public float is attained. Accordingly, EVI and Midland will undertake to GEM to take appropriate steps (prior to Completion) to ensure that the public float of EVI will maintain at no less than 20% following Completion.

4. OTHER MATTERS

An independent board committee comprising the independent non-executive EVI Directors has been established to consider and to advise the EVI Independent Shareholders (i.e. excluding those shareholders who are interested in or are involved in the Subscription Agreement – as Summerview, Mr. Pong Wai San, Wilson and their respective associates are involved in the Subscription Agreement, they are not considered to be EVI Independent Shareholders) as to whether the terms of the Subscription and the Whitewash Waiver are fair and reasonable so far as the EVI Independent Shareholders are concerned, and that the Subscription and the Whitewash Waiver are in the interests of EVI and the EVI Shareholders as a whole.

AMS Corporate Finance Limited, an independent financial adviser, has been appointed to advise the independent board committee of EVI and the EVI Independent Shareholders with respect to the Subscription and the Whitewash Waiver.

Warning: Midland Shareholders, potential investors of Midland Shares, EVI Shareholders and potential investors of EVI are advised that the Subscription and the Whitewash Waiver are subject to a number of conditions. The issuance of this announcement does not in any way imply that the Subscription Agreement will be implemented or completed. Midland Shareholders, potential investors of Midland Shares, EVI Shareholders and potential investors of EVI should exercise extreme caution when dealing in the Midland Shares and the EVI Shares.

5. SUSPENSION AND RESUMPTION OF TRADING

At the request of Midland and EVI, trading in the Midland Shares and EVI Shares was suspended with effect from 9:30 a.m. on 25 January 2005 pending the issue of this announcement. Midland and EVI have requested a resumption of trading in their shares with effect from 9:30 a.m. on 27 January 2005 following the publication of this announcement.

1. INTRODUCTION

The Midland Board and the EVI Board wish to announce that on 25 January 2005, the Subscriber has entered into the Subscription Agreement with EVI pursuant to which the Subscriber has conditionally agreed to subscribe for 4,300,000,000 new EVI Shares at the subscription price of HK\$0.025 per EVI Share.

Principle terms of the Subscription Agreement are set out below.

2. THE SUBSCRIPTION AGREEMENT

Date: 25 January 2005

Parties:

- (i) Valuewit Assets Limited, an indirect wholly-owned subsidiary of Midland, as the Subscriber;
- (ii) EVI, as the issuer;
- (iii) Summerview, as the warrantor on certain financial covenants; and
- (iv) Midland as the Subscriber's guarantor.

As at the date of this announcement, neither the Subscriber nor Midland is acting in concert with the EVI Directors or the substantial and/or management shareholder of EVI. Each of the Subscriber and Midland does not own and will not own any EVI Shares prior to Completion, and is independent from and is not connected with EVI and its connected persons.

Midland and the Subscriber have not dealt in the EVI Shares during the past six months prior to the date of this announcement.

To the best of the Midland Directors' knowledge, information and belief, and after having made all reasonable enquiry, EVI is an independent third party to Midland, is not a connected person of Midland and is not connected to the directors, chief executive, substantial shareholders of Midland or its subsidiaries and their respective associates, or their connected persons.

To the best of the EVI Directors' knowledge, information and belief, and after having made all reasonable enquiry, each of the Subscriber and Midland is an independent third party to EVI, is not a connected person of EVI and is not connected to the directors, chief executive, substantial and management shareholders of EVI or its subsidiaries and their respective associates, or their connected persons.

Further information on Midland and EVI are set out in the section headed "4. Information on Midland and EVI" below.

The new EVI Shares: The 4,300,000,000 new EVI Shares represent (i) approximately 107.50% of the issued share capital of EVI as at the date of this announcement, or (ii) approximately 51.81% of the issued share capital of EVI as enlarged by the Subscription.

The issue price per EVI Share: The issue price per EVI Share under the Subscription is HK\$0.025, which represents:

- a discount of approximately 58.33% to the closing price of HK\$0.06 per EVI Share on 24 January 2005, the last trading day prior to suspension of trading in the EVI Shares on 25 January 2005 pending the issue of this announcement;
- a discount of approximately 53.70% to the average closing price of HK\$0.054 per EVI Share as quoted on the Stock Exchange for the last 5 trading days up to and including 24 January 2005; and
- a premium of approximately 431.91% to the audited net tangible asset value per EVI Share of approximately HK\$0.0047.

The total consideration for the Subscription amounts to HK\$107.5 million and will be satisfied by the internal resources of the Midland Group.

Ranking of the new EVI Shares: All new EVI Shares, upon their issuance, will rank pari passu with all other EVI Shares in issue on the Completion Date in all respects (including, but without limiting the generality of the foregoing, the right to any dividends or distributions declared by EVI on or after the Completion Date).

Conditions precedent of the Subscription Agreement: Completion of the Subscription Agreement is conditional upon:

- a) the Listing Committee of GEM granting the listing of, and permission to deal in, the 4,300,000,000 new EVI Shares;
- b) the Executive granting the Whitewash Waiver to Midland and parties acting in concert with it from their obligations, as a result of the Subscription, to make a general offer for all of the issued shares other than those already owned or agreed to be subscribed by them under Note 1 on dispensations from Rule 26 of the Takeovers Code;
- c) the EVI Independent Shareholders approving (i) the issue and allotment of the 4,300,000,000 new EVI Shares contemplated under the Subscription Agreement; and (ii) the grant of the Whitewash Waiver at a general meeting of EVI;

- d) the EVI Shares remaining listed and traded on GEM at all times prior to and on Completion, save for any suspension not exceeding ten (10) consecutive business days (as defined in the GEM Listing Rules) (or such longer period as the Subscriber may reasonably accept in writing) or any temporary suspension in connection with the clearance by the Stock Exchange and the SFC of this announcement;
- e) no indication being received on or before the Completion Date from the Stock Exchange or the SFC to the effect that the listing of the EVI Shares may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of Completion or in connection with the Subscription Agreement;
- f) the satisfaction of the due diligence to be performed by the Subscriber on the EVI Group, including but not limited to, the EVI Group's assets, liabilities, contracts, commitments and business and financial and legal and taxation aspects. The due diligence review should be completed on or prior to 7 (seven) business days prior to the date of the Extraordinary General Meeting; and
- g) clearance of this announcement by the Stock Exchange and the SFC.

The above are all the conditions precedent to the Completion of the Subscription Agreement. The Subscriber may at its absolute discretion waive all or any of the conditions set out above (other than conditions a), b) and c)) at any time by notice in writing to EVI.

In the event that the conditions of the Subscription Agreement are not fulfilled or are waived by 5:00 p.m. on the day falling three (3) calendar months from the date of the Subscription Agreement or such later date as may be agreed by the parties to the Subscription Agreement in writing, the Subscriber or EVI will be entitled by written notice to rescind and terminate the Subscription Agreement.

Financial covenants provided by Summerview:

Summerview represents, warrants and undertakes to the Subscriber that:

- (a) at Completion:
 - (i) the consolidated net tangible asset value of the EVI Group (on the same valuation basis as adopted in preparation of the audited accounts of EVI) (after making all appropriate deductions, accruals and/or provisions for all fees, expenses and costs payable by the EVI Group for the transactions under the Subscription Agreement (including the fees and expenses payable to the financial advisors of EVI)) will not be less than HK\$13,000,000; and
 - (ii) the total liabilities of the EVI Group (excluding contingent liabilities which have been fully disclosed) will not be more than HK\$10,000,000;
- (b) the EVI Group will have unencumbered cash-in-hand in a total amount of not less than HK\$13,000,000; and
- (c) all guarantees (if any) given by any member of the EVI Group for Summerview or its associates will be released and discharged on the Completion Date.

The EVI Directors confirm that there has never been any guarantee given by the EVI Group for Summerview or its associates.

The Midland Directors and the EVI Directors expect Completion will take place on or before 24 March 2005.

An application will be made by EVI to the Listing Committee of GEM for the listing of, and permission to deal in, the 4,300,000,000 new EVI Shares to be issued pursuant to the Subscription Agreement.

The Subscription does not constitute any form of notifiable transaction for Midland under the requirements as prescribed in the Main Board Listing Rules.

The Subscription does not constitute any form of notifiable transaction for EVI under the requirements as prescribed in the GEM Listing Rules.

3. BASIS OF NEGOTIATION OF THE TERMS AND CONDITIONS OF THE SUBSCRIPTION AGREEMENT, REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AGREEMENT AND INTENDED USE OF PROCEEDS

3.1 Basis of negotiation of the terms and conditions of the Subscription Agreement

The terms of the Subscription Agreement were arrived at after arm's length negotiation between the parties involved.

3.2 Reasons for, benefits of and intended use of proceeds from the Subscription

Given Hong Kong's improving economic outlook, which is partly resulted from, among other things, various Government sponsored stimulus programs/administrative policies (namely the Closer Economic Partnership Arrangements and the relaxation on PRC nationals to visit Hong Kong), the Midland Directors have seen an increasing flow of positive economic data (such as the increase in number of real estate transactions, the reduced unemployment rate and the slight rise in consumer price index) over recent months and believe that via the Subscription, Midland will gain an additional platform for building up new businesses (including, but not limited to, property investment and property management, and the development and promotion of on-line training programs for real-estate brokers and related license examinations in Hong Kong, Macau and/or the PRC) as and when opportunities arise. As at the date of this announcement, the aforesaid are business plans developed by the Subscriber, and no targets or concrete plans have been identified and/or finalised yet.

In view of the expertise and experience of the EVI Group in developing and marketing computer training and internet education services, Midland believes that EVI is an appropriate platform upon which to develop and promote on-line training programs for the practitioners in the real estate broking business and/or other regulated/licensed servicing industries in Hong Kong, Macau and/or the PRC. As continued professional training is an essential element for enhancing employees' competitiveness in today's business environment, Midland believes that by investing in EVI (a professional in the on-line training and internet education service), Midland will be able to pursue this new growing area of business (under an established separate entity) for the benefit of Midland.

The net proceeds from the Subscription are estimated to be approximately HK\$104.5 million. Furthermore, the Subscription will strengthen the financial position of the EVI Group and enlarge the capital base of EVI. The net proceeds from the Subscription will principally be applied to the development of the abovementioned new businesses. Further information on the future plans, prospects and intended use of proceeds pertaining to the Subscription will be disclosed in the EVI Circular.

3.3 Opinions of the Midland Directors and the EVI Directors

After taking into account the reasons and benefits for the Subscription as mentioned above from Midland's perspective, the recent market price of the EVI Shares, and the financial position of EVI and the terms and conditions of the Subscription Agreement, the Midland Directors (including the independent non-executive Midland Directors) are of the view that the terms of the Subscription Agreement (including the issue price per EVI Share) are fair and reasonable, and that the Subscription is in the interests of Midland and the Midland Shareholders as a whole.

The EVI Group recorded audited consolidated losses for the two years ended 30 September 2003 and 2004 of approximately HK\$9.5 million and HK\$4.2 million respectively. The EVI Directors believe that the Subscription will provide EVI the funding needed to diversify into various new businesses, including, but not limited to, property management and property investment (business in which the management of Midland has experience and there are positive economic data as mentioned in paragraph 3.2 above to support the improving outlook for property related businesses), as well as on-line professional training services (also mentioned in paragraph 3.2 above the potentials of the development and promotion of on-line training programs for real-estate brokers and related license examinations in Hong Kong, Macau and/or the PRC), which in turn, will ultimately enhance the EVI Group's revenue stream. On this basis, the EVI Directors (excluding the independent non-executive EVI Directors) consider that the Subscription Agreement is in the interests of EVI and the EVI Shareholders as a whole. After having considered the recent share price performance of EVI, and in particular the thin trading volume of the EVI Shares, the EVI Directors (excluding the independent non-executive EVI Directors) are of the view that the terms of the Subscription Agreement, including the issue price of HK\$0.025 per EVI Share, are fair and reasonable. The independent non-executive EVI Directors will express their views on the Subscription Agreement and the Whitewash Waiver in the EVI Circular after considering the opinion of the independent financial adviser to the independent board committee of EVI and the EVI Independent Shareholders.

4. INFORMATION ON MIDLAND AND EVI

4.1 Midland

The Midland Group is principally engaged in property broking service in Hong Kong, Macau and the PRC.

Set out below is the audited financial information of the Midland Group for the two financial years ended 31 December 2003 and the unaudited figures for the six months ended 30 June 2004:

	Financial year ended 31 December		For the six months ended 30 June 2004
	2002 HK\$'000 Audited	2003 HK\$'000 Audited	HK\$'000 Unaudited
Turnover	911,711	1,179,963	952,079
Profit/(loss) from operations	(68,220)	150,811	195,466
Profit/(loss) attributable to the Midland Shareholders	(73,725)	122,749	165,809
Total assets	703,690	1,013,415	1,235,895
Net tangible assets	442,175	563,144	694,479
Net tangible assets per Midland Share (HK\$) (Note)	0.726	0.801	0.986

Note: Based on 703,090,000 Midland Shares in issue as at 31 December 2003 (609,447,000 Midland Shares in issue as at 31 December 2002); and 704,390,000 Midland Shares in issue as at 30 June 2004.

4.2 EVI

The EVI Group is principally engaged in the selling and installation of computer hardware and software, the provision of computer training services and the provision of internet education services.

Set out below is the audited financial information of the EVI Group for the two financial years ended 30 September 2004:

	Financial year ended 30 September	
	2003 HK\$'000 Audited	2004 HK\$'000 Audited
Turnover	19,959	20,206
Operating (loss)	(9,606)	(4,740)
(Loss) attributable to the EVI Shareholders	(9,476)	(4,205)
Total assets	30,299	26,961
Net assets	22,994	18,861
Net tangible assets per EVI Share (HK\$) (Note)	0.0057	0.0047

Note: Based on 4,000,000,000 EVI Shares in issue as at 30 September 2004 (4,000,000,000 EVI Shares in issue as at 30 September 2003).

5. WHITEWASH WAIVER APPLICATION

As the shareholding of the Subscriber in EVI will, as a result of the Subscription, be increased from 0% to approximately 51.81%, unless the Whitewash Waiver is granted by the Executive, an obligation to make a general offer for all of the issued shares of EVI other than those already owned or agreed to be subscribed by the Subscriber and parties acting in concert with it will arise under Rule 26 of the Takeovers Code. Set out in the table below is the shareholding effect on EVI.

EVI Shareholder	EVI Shares held as at the date of this announcement		EVI Shares held immediately following completion of the Subscription	
	EVI Shares	%	EVI Shares	%
Summerview (<i>Note 1</i>)	2,609,200,000	65.23	2,609,200,000	31.43
Mr. Pong Wai San, Wilson (<i>Note 1</i>)	153,610,000	3.84	153,610,000	1.85
<i>Sub-total</i>	<i>2,762,810,000</i>	<i>69.07</i>	<i>2,762,810,000</i>	<i>33.28</i>
Mr. Cheung Shi Kwan, Wings (<i>Note 2</i>)	4,000,000	0.10	4,000,000	0.05
Other public shareholders of EVI	1,233,190,000	30.83	1,233,190,000	14.86
The Subscriber or its nominee	0	0.00	4,300,000,000	51.81
Total	<u>4,000,000,000</u>	<u>100.00</u>	<u>8,300,000,000</u>	<u>100.00</u>

Notes:

- 2,609,200,000 EVI Shares are registered in the name of and beneficially owned by Summerview and 153,610,000 EVI Shares are registered in the name of Mr. Pong Wai San, Wilson, the founder, chairman and chief executive officer of EVI. The entire issued share capital of Summerview is registered in the name of and beneficially owned by Mr. Pong Wai San, Wilson.
- 4,000,000 EVI Shares are a registered in the name of Mr. Cheung Shi Kwan, Wings, an executive EVI Director and a person not acting in concert with Summerview and Mr. Pong Wai San, Wilson.

None of Summerview or any of the EVI Directors held any Midland Shares as at the date of this announcement.

The Subscriber and Summerview are presumed to be acting in concert with each other under the Takeovers Code and, upon Completion, the Subscriber and parties acting in concert with it (including Summerview) will in aggregate own 7,062,810,000 EVI Shares, representing approximately 85.09% of the enlarged issued share capital of EVI.

An application will be made by Midland and parties acting in concert with it to the Executive for the dispensation from compliance with Rule 26 of the Takeovers Code by Midland and parties acting in concert with it as a result of Completion. The granting of the Whitewash Waiver will be subject to the approval by the EVI Independent Shareholders (i.e. excluding those shareholders who are interested in or are involved in the Subscription Agreement – as Summerview, Mr. Pong Wai San, Wilson and their respective associates are involved in the Subscription Agreement, they are not considered to be EVI Independent Shareholders) on votes taken by way of a poll at the Extraordinary General Meeting.

6. CONTINUE LISTING OF EVI ON GEM AND FUTURE INTENTION OF MIDLAND REGARDING EVI

The Midland Group currently holds no interest in the issued share capital of EVI. Immediately after Completion, EVI will become an indirectly owned subsidiary of Midland.

It is the intention of Midland to maintain the listing of EVI on GEM. The Subscriber will consider nominating directors to the EVI Board shortly after Completion. Further announcement will be made by EVI as and when appropriate. It is the intention of the Subscriber that the individuals to be nominated to the EVI Board will operate the EVI Group separate from the Midland Group. On this basis, the Midland Directors do not expect the new businesses of the EVI Group to rely on Midland and its management. In any event, the EVI Directors and the Subscriber do not expect any material change to the continued employment of the management and employees of the EVI Group as a result of the Subscription. The Subscriber and the existing management of EVI have no intention to discontinue the existing principal businesses of the EVI Group. As at the date of this announcement, the EVI Directors and the Subscriber have not formulated any concrete plans as to the development of the new businesses and the future business strategy of the EVI Group after Completion. At present, the Subscriber has no concrete plan or decision pertaining to the assets or businesses of itself or its associates to be injected into the EVI Group. In addition, Midland has no concrete plan or decision pertaining to (i) the spin-off and seek a separate listing of Midland CyberNet Limited or (ii) the injection of Midland CyberNet Limited or its assets or business into EVI (this statement is made to clarify an unfounded statement described in an article appeared in the Hong Kong Economic Times of 26 January 2005 on Midland CyberNet Limited). In the event that the Subscriber injects any new assets or businesses from itself or its associates into the EVI Group, the Subscriber is aware that such transaction may constitute a “reverse takeover” under the GEM Listing Rules and will have to comply with the requirements as prescribed in the GEM Listing Rules from time to time (such as being deemed as a new applicant for listing and thus subject to independent shareholders’ vote at the general meeting).

It should be noted that upon Completion, there will be insufficient public float for the EVI Shares (if no action or arrangement, such as placing of existing EVI Shares, has been made to maintain the public float of EVI to be not less than 20%) and therefore trading in the EVI Shares may be suspended until a sufficient public float is attained. Accordingly, EVI and Midland will undertake to GEM to take appropriate steps (prior to Completion) to ensure that the public float of EVI will maintain at no less than 20% following Completion.

7. OTHER MATTERS

An independent board committee comprising the independent non-executive EVI Directors has been established to consider and to advise the EVI Independent Shareholders (i.e. excluding those shareholders who are interested in or are involved in the Subscription Agreement – as Summerview, Mr. Pong Wai San, Wilson and their respective associates are involved in the Subscription Agreement, they are not considered to be EVI Independent Shareholders) as to whether the terms of the Subscription and the Whitewash Waiver are fair and reasonable so far as the EVI Independent Shareholders are concerned and are in the interests of EVI and the EVI Shareholders as a whole.

AMS Corporate Finance Limited, an independent financial adviser, has been appointed to advise the independent board committee of EVI and the EVI Independent Shareholders with respect to the Subscription and the Whitewash Waiver.

Access Capital has been engaged by Midland as its financial adviser.

Somerley has been engaged by EVI as its financial adviser.

The EVI Circular containing, among other things, details of the Subscription and the Whitewash Waiver, the advice from the independent board committee of EVI, the letter of advice from the independent financial adviser to the independent board committee of EVI and the EVI Independent Shareholders, and the notice of the Extraordinary General Meeting will be dispatched to the EVI Shareholders as soon as practicable.

Warning: Midland Shareholders, potential investors of Midland Shares, EVI Shareholders and potential investors of EVI are advised that the Subscription and the Whitewash Waiver are subject to a number of conditions. The issue of this announcement does not in any way imply that the Subscription Agreement will be implemented or completed. Midland Shareholders, potential investors of Midland Shares, EVI Shareholders and potential investors of EVI should exercise extreme caution when dealing in the Midland Shares and the EVI Shares.

8. SUSPENSION AND RESUMPTION OF TRADING

At the request of Midland and EVI, trading in the Midland Shares and EVI Shares was suspended with effect from 9:30 a.m. on 25 January 2005 pending the issue of this announcement. Midland and EVI have requested a resumption of trading in their shares with effect from 9:30 a.m. on 27 January 2005 following the publication of this announcement.

9. DEFINITIONS

“Access Capital”	Access Capital Limited, the financial adviser to Midland. It is a licensed corporation under the SFO and engaged in types 1, 4, 6 and 9 regulated activities
“acting in concert”	as defined in the Takeovers Code
“associate”	in relation to a director, chief executive or substantial shareholder or management shareholder of a company listed on the Main Board and/or GEM, has the same meaning ascribed thereto in the Main Board Listing Rules and/or GEM Listing Rules (as the case may be)
“Completion”	completion of the Subscription Agreement
“Completion Date”	the third business day after fulfillment or waiver of the last of the conditions of the Subscription Agreement or such other date as the parties involved may agree in writing prior to Completion, on which completion of the subject transaction is to take place
“connected person”	as defined in the Main Board Listing Rules and/or the GEM Listing Rules
“EVI”	EVI Education Asia Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on GEM, the issuer of the new EVI Shares to be issued pursuant to the Subscription Agreement
“EVI Board”	the board of directors of EVI
“EVI Circular”	the circular to be sent to the EVI Shareholders in relation to the Subscription and the Whitewash Waiver
“EVI Directors”	the directors of EVI
“EVI Group”	EVI and its subsidiaries
“EVI Independent Shareholder(s)”	those EVI Shareholder(s) who are not interested in or are not involved in the Subscription Agreement and who will be entitled to vote at the Extraordinary General Meeting
“EVI Share(s)”	share(s) of HK\$0.01 each in the share capital of EVI
“EVI Shareholder(s)”	holder(s) of the EVI Shares
“Executive”	the Executive Director of the Corporate Finance Division of SFC or any delegates of the Executive Director
“Extraordinary General Meeting”	the general meeting of EVI to be convened to approve, if thought fit, the resolutions in relation to the Subscription and the Whitewash Waiver
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Government”	the Government of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the option market) and which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM

“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange, as amended from time to time
“Midland”	Midland Realty (Holdings) Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board
“Midland Board”	the board of directors of Midland
“Midland Directors”	the directors of Midland
“Midland Group”	Midland and its subsidiaries
“Midland Share(s)”	share(s) of HK\$0.10 each in the share capital of Midland
“Midland Shareholder(s)”	holder(s) of the Midland Share(s)
“PRC”	the People’s Republic of China
“SFC”	Securities and Futures Commission
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Somerley”	Somerley Limited, the financial adviser to EVI. It is a deemed licensed corporation under the SFO and engaged in types 1, 4, 6 and 9 regulated activities
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Valuwit Assets Limited, a wholly-owned subsidiary of Midland and the subscriber of the new EVI Shares under the Subscription Agreement
“Subscription”	the proposed subscription of 4,300,000,000 new EVI Shares by the Subscriber pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the conditional agreement dated 25 January 2005 entered into among, inter alia, the Subscriber and EVI with regard to the Subscription
“Summerview”	Summerview Enterprises Limited, a warrantor of certain financial covenants (as described in this announcement) under the Subscription Agreement and the entire issued share capital of which is registered in the name of and beneficially owned by Mr. Pong Wai San, Wilson (the founder, chairman and chief executive officer of EVI)
“Takeovers Code”	the Hong Kong Code of Takeovers and Mergers
“Whitewash Waiver”	waiver to be granted by the Executive of the general offer obligation triggered by Completion under Rule 26 of the Takeovers Code by the Subscriber and parties acting in concert with it
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
Midland Realty (Holdings) Limited
Wong Kin Yip, Freddie
Chairman

By order of the Board
EVI Education Asia Limited
Pong Wai San, Wilson
Chairman

Hong Kong, 26 January 2005

As at the date of this announcement, the Midland Board comprises eight directors, of which (i) five are executive Midland Directors, namely Mr. Wong Kin Yip, Freddie, Mr. Cheung Kam Shing, Ms Lam Fung Fong, Mr. Chan Kwan Hing and Mr. Kwok Ying Lung and (ii) three are independent non-executive Midland Directors, namely Mr. Koo Fook Sun, Louis, Mr. Sun Tak Chiu and Mr. Wang Ching Miao, Wilson.

As at the date of this announcement, the EVI Board comprises seven directors, of which (i) four are executive EVI Directors, namely Mr. Pong Wai San, Wilson, Mr. Cheung Shi Kwan, Wings, Ms Pong Lo Shuk Yin, Dorothy and Mr. Lau Wai Shu, and (ii) three are independent non-executive EVI Directors, namely Mr. Hung Tak Chow, Charles, Mr. Hung Fan Wai, Wilfred and Mr. Lai Hin Wing, Henry.

The Midland Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the EVI Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than information relating to the EVI Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than information relating to the EVI Group), the omission of which would make any statement in this announcement (other than information relating to the EVI Group) misleading.

The EVI Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Midland Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than information relating to the Midland Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than information relating to the Midland Group), the omission of which would make any statement in this announcement (other than information relating to the Midland Group) misleading.

This announcement (other than information relating to the Midland Group), for which the EVI Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to EVI. The EVI Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement (other than information relating to the Midland Group) is accurate and complete in all material aspects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement (other than information relating to the Midland Group) misleading; and (3) all of their opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website on the “Latest Company Announcements” page for at least seven days from the day of its posting.