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**CONNECTED TRANSACTIONS  
IN RELATION TO  
ESTATE AGENCY SERVICES**

The Purchaser, an associate of Ms. TANG, had on 22 September 2012 entered into a provisional agreement for sale and purchase of property, with the Group acting as the agent. Pursuant to the said agreement, the Group is entitled to receive an agency fee, equivalent to 1% of the purchase price of the property, from the Purchaser.

Ms. TANG, being a Director, is a connected person of the Company for the purposes of the Listing Rules. The Purchaser, being a company wholly owned by Ms. TANG's spouse, is accordingly an associate of Ms. TANG and the Recent Engagement constitutes a connected transaction for the Company under Rule 14A.13 of the Listing Rules.

As the applicable percentage ratios in respect of the aggregate estate agency fees paid or payable to the Group in connection with the Past Engagements (which are not subject to any reporting, announcement or independent shareholders' approval requirements on their own) and the Recent Engagement exceed 0.1% but are less than 5%, the Engagements are only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempt from the independent shareholders' approval requirement.

The Group is one of the largest estate agencies in Hong Kong, principally engaged in the provision of estate agency services in respect of commercial and industrial properties and shops in Hong Kong. Ms. TANG and/or her associates have from time to time engaged the services of the Group in relation to the purchase, disposal and/or leasing of commercial and industrial properties and shops in Hong Kong. In consideration of the services of the Group, estate agency fees are payable by Ms. TANG and/or her associates to the Group as in the case of engagements by other customers of the Group generally.

\* *For identification purposes only*

The Company was informed by Ms. TANG that the Purchaser, an associate of Ms. TANG, had on 22 September 2012 entered into a provisional agreement for sale and purchase of property, with the Group acting as the agent. Pursuant to the said agreement, the Group is entitled to receive an agency fee, equivalent to 1% of the purchase price of the property, from the Purchaser. The material terms of the Engagements are set out below:

- Period in which the Engagements occurred** : From 10 February 2012 to 22 September 2012
- Principals** : Ms. TANG's associates
- Agents** : The operating subsidiaries of the Group which are engaged in the provision of estate agency services in respect of commercial and industrial properties and shops in Hong Kong
- Services provided** : Estate agency services in relation to the purchase and leasing of properties (both directly and indirectly) by Ms. TANG's associates
- Location of services provided** : In Hong Kong
- Aggregate amount of estate agency fees paid or payable in connection with the Engagements** : HK\$2,780,000

Normally, the Group would charge the vendors and the purchasers an aggregate estate agency fees equivalent to around 2% of the purchase price of the property in consideration of the services provided by it in relation thereto, subject to discounts offered under the Group's pricing policy. The estate agency fees due to the Group are payable in cash on completion of the sale and purchase of the relevant properties/property-holding companies. For leasing transactions, the Group would normally charge the landlords and the tenants an aggregate estate agency fees equivalent to around one month's rent on conclusion of the lease of the relevant properties, subject to discounts offered under the Group's pricing policy. The aforesaid terms of services are consistent with the prevailing industrial and/or market practice.

The Engagements were entered into in the ordinary and usual course of business of the Group. The terms of the Engagements were negotiated on an arm's length basis and in accordance with the Group's general pricing policy. Accordingly, the Directors, including the Independent Non-executive Directors, consider that the Engagements were on normal commercial terms and no less favourable to the Group than those available from independent third parties at the relevant times, and are also fair and reasonable and in the interests of the Company and its shareholders as a whole. Ms. TANG and Ms. WONG Ching Yi, Angela (the daughter of Ms. TANG) have abstained from voting on the Board resolution(s) approving the Engagements as they are deemed to have a material interest in the Engagements.

Ms. TANG, being a Director, is a connected person of the Company for the purposes of the Listing Rules. The Engagements accordingly constitute connected transactions for the Company under Rule 14A.13 of the Listing Rules.

As the applicable percentage ratios in respect of the aggregate estate agency fees paid or payable to the Group in connection with the Past Engagements (which are not subject to any reporting, announcement or independent shareholders' approval requirements on their own) and the Recent Engagement exceed 0.1% but are less than 5%, the Engagements are only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempt from the independent shareholders' approval requirement.

The following expressions in this announcement have the meanings set out below unless the context requires otherwise:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Midland IC&I Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Engagements”	collectively the Past Engagements and the Recent Engagement
“Group”	collectively the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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
“Ms. TANG”	Ms. TANG Mei Lai, Metty, the Chairman and Managing Director of the Company
“Past Engagements”	a total of 2 engagements by Ms. TANG’s associates for the provision of estate agency services in relation to the leasing of certain properties occurring within the past 12 months (exclusive of the Recent Engagement)
“Purchaser”	Most Wealth (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and wholly owned by Ms. TANG’s spouse
“Recent Engagement”	the engagement by the Purchaser for the provision of estate agency services in relation to the purchase of a property in Hong Kong on 22 September 2012
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board  
**MOK Ka Fai**  
*Company Secretary*

Hong Kong, 8 October 2012

*As at the date of this announcement, the Board comprises eight Directors, of which four are Executive Directors, namely Ms. TANG Mei Lai, Metty, Mr. WONG Tsz Wa, Pierre, Ms. WONG Ching Yi, Angela and Mr. WONG Hon Shing, Daniel; one is Non-executive Director, namely Mr. TSANG Link Carl, Brian (with Mr. CHU Kuo Fai, Gordon as his alternate); and three are Independent Non-executive Directors, namely Mr. YING Wing Cheung, William, Mr. SHA Pau, Eric and Mr. HO Kwan Tat, Ted.*