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**MIDLAND IC&I LIMITED**  
**美聯工商舖有限公司\***  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 459)**

**CONTINUING CONNECTED TRANSACTIONS  
SERVICES AGREEMENT**

On 7 April 2014, the Company entered into the Services Agreement with Midland in relation to Services to be provided to Midland Group for three years commencing from 1 January 2014 to 31 December 2016 (both days inclusive), the material terms of which are summarised below.

**SERVICES AGREEMENT**

**1. Date**

7 April 2014

**2. Parties**

- (1) The Company; and
- (2) Midland.

Midland is a controlling shareholder of the Company and hence a connected person of the Company. As at the date of this announcement, Midland and its associates hold in aggregate approximately 70.80% of the issued share capital of the Company.

**3. Term**

3 years from 1 January 2014 to 31 December 2016 (both days inclusive)

**4. Services covered by the Services Agreement**

Pursuant to the Services Agreement, Midland may refer prospective purchasers of property in Hong Kong to the Company to apply for certain cashier order payments in favour of property developers or any entity designated by such property developers.

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\* For identification purposes only

The Group may, at its discretion, determine whether to assist in procuring the issuance of a cashier's order after receiving each referral. If the relevant member of the Group shall agree to assist in procuring the issuance of a cashier's order, it shall have the right to require the relevant purchaser to place an equivalent amount of money with it either (i) in cash; (ii) by way of a cheque; (iii) through bank account transfer; and/or (iv) through credit card payment, before proceeding to assist in procuring a cashier's order.

Midland and the Company acknowledge and agree that the aggregate value of cashier orders issued but not returned to the relevant member of the Group at any one time in connection with the Services provided pursuant to the Services Agreement shall not exceed HK\$400,000,000.

## **5. Fees**

The service fees (exclusive of disbursements) payable by Midland to the relevant member of the Group in connection with each cashier order which is provided or renewed by the Group pursuant to the Services Agreement shall be charged at the rate of 0.125% of the face value of the cashier's order for every 15 day period, any period less than 15 days would be rounded up to a whole 15 day period and charged at 0.125%. In addition to the above service fees, Midland shall reimburse the Group for any disbursements incurred by the Group for the provision of the Services.

## **ANNUAL CAP**

The Annual Cap on the fees payable by Midland to the Group under the Services Agreement for each of the years ending 31 December 2014, 2015 and 2016 will be HK\$10 million, HK\$12 million and HK\$12 million respectively. The annual caps are determined with reference to the estimated demand for the Services and the fees payable under the Services Agreement.

## **PRINCIPAL BUSINESS ACTIVITIES**

The Company is an investment holding company and the principal business activities of its subsidiaries are provision of property agency services in respect of industrial and commercial properties and shops in Hong Kong. The principal business activities of the Midland Group are provision of property agency services in respect of residential properties in Hong Kong, Macau and the PRC.

## **REASONS FOR THE TRANSACTIONS**

The Directors (including the independent non-executive Directors) consider that the terms of the Transactions are on normal commercial terms, or on terms no less favourable than those available from independent third parties and, together with the Annual Cap, are fair and reasonable. The Directors consider that the Transactions would provide flexibility to the Group to utilise its surplus cash at its discretion for an enhanced return, which surplus cash might otherwise be placed with banks as deposits attracting a lower return. They consider that the Transactions are in the interests of the Company and the Shareholders as a whole. As Ms. TANG Mei Lai, Metty and Ms. WONG Ching Yi, Angela are directors of both Midland and the Company, they are deemed to have a

material interest in the Services Agreement and have abstained from voting on the resolutions at the Board meeting approving the same.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Midland is interested in approximately 70.80% of the issued share capital of the Company and is therefore a controlling shareholder of the Company. The Transactions contemplated under the Services Agreement will constitute continuing connected transactions for the Company under the Listing Rules.

The Annual Caps for each year are more than 0.1% but less than 5% under the applicable percentage ratios (other than the profits ratio). Accordingly, pursuant to Rule 14A.34 of the Listing Rules, the Transactions are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47, the annual review requirements set out in Rules 14A.37 to 14A.40 and the requirements set out in Rules 14A.35(1) and 14A.35(2) of the Listing Rules. The Transactions are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the Services Agreement will be included in the relevant annual report and accounts of the Company in accordance with Rule 14A.46 of the Listing Rules where appropriate.

## **DEFINITIONS**

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

<b>"Annual Cap"</b>	in relation to any financial year of the Company ending 31 December 2014, 2015 and 2016, the maximum annual amount of fees expected to be received by the Group in connection with the Services under the Services Agreement.
<b>"associate"</b>	has the meaning ascribed thereto in the Listing Rules.
<b>"Board"</b>	the board of Directors.
<b>"Company"</b>	Midland IC&I Limited (Stock Code: 459), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange.
<b>"Directors"</b>	the directors of the Company.
<b>"Group"</b>	the Company, Midland Realty (Comm. and Ind.) Limited and Midland IC&I Treasury Services Limited.
<b>"HK\$"</b>	Hong Kong dollars, the lawful currency of Hong Kong.

<b>"Hong Kong"</b>	the Hong Kong Special Administrative Region of the PRC.
<b>"Listing Rules"</b>	the Rules Governing the Listing of Securities on the Stock Exchange.
<b>"Macau"</b>	the Macau Special Administrative Region of the PRC.
<b>"Midland"</b>	Midland Holdings Limited (Stock Code: 1200), a company incorporated in Bermuda with limited liability and holding company of the Company, the shares of which are listed on the Stock Exchange.
<b>"Midland Group"</b>	Midland, Midland Realty International Limited and Hong Kong Property Services (Agency) Limited.
<b>"PRC"</b>	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan.
<b>"Services"</b>	the services provided by the Group to prospective purchasers of property in Hong Kong referred by Midland Group, as more particularly described in the paragraph headed "Services covered by the Services Agreement" in this announcement.
<b>"Services Agreement"</b>	the services agreement dated 7 April 2014, entered into between the Company and Midland in relation to the Services.
<b>"Shareholders"</b>	the shareholders of the Company.
<b>"Stock Exchange"</b>	The Stock Exchange of Hong Kong Limited.
<b>"Transactions"</b>	the provision of the Services by the Group pursuant to the Services Agreement.

By Order of the Board  
**Midland IC&I Limited**  
**MUI Ngar May, Joel**  
*Company Secretary*

Hong Kong, 7 April 2014

*As at the date of this announcement, the Board comprises seven Directors, of which three are Executive Directors, namely Ms. TANG Mei Lai, Metty, 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.*