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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)

ANNOUNCEMENT CONTINUING CONNECTED TRANSACTION

The Board announces that on 19 March 2009, the Tenancy Agreement regarding the leasing of the Premises for 3 years from 19 March 2009 at monthly rental of HK\$114,000 was entered into between the Group as landlord and City First, a subsidiary of Midland, as tenant.

As City First is a subsidiary and hence an associate of Midland which is itself a substantial shareholder of the Company, the City First is a connected person of the Company within the meaning of the Listing Rules. Accordingly, the Tenancy Agreement constitutes a continuing connected transaction of the Company under Rule 14A.14 of the Listing Rules.

Given that each of the applicable percentage ratios in respect of the Tenancy Agreement on an annual basis is less than 2.5%, the Tenancy Agreement is only subject to reporting and announcement requirements as set out in the Listing Rules and no Independent Shareholders' approval is required.

DETAILS OF THE TENANCY AGREEMENT

Teamway and City First entered into the Tenancy Agreement for the Premises, details of the principal terms of the Tenancy Agreement are as follows:-

- | | | |
|----------|---|--|
| Landlord | : | Teamway |
| Tenant | : | City First |
| Premises | : | The whole of 21 st Floor, Ford Glory Plaza, Kowloon, Hong Kong, which is owned by Teamway |
| Term | : | 3 years commencing from 19 March 2009 and expiring on 18 March 2012 (both days inclusive) |

* For identification purpose only

- Rental : Monthly rental of HK\$114,000. The monthly rental is exclusive of government rent, rates, air-conditioning charges and management fee in respect of the Premises, and City First shall be responsible for the payment of such fees and charges pursuant to the Tenancy Agreement.
- Option to renew : Subject to exercise by City First of an option to renew the tenancy under the Tenancy Agreement, it may be renewed for a further term of 3 years immediately after the expiry of the term at the prevailing market rent. The Company will re-comply with the applicable requirements of the Listing Rules (including requirements in Rules 14A.34 and 14A.35 to the extent applicable) if and when the option to renew is exercised by City First.
- Rent-free Period : 61 days commencing from 19 March 2009 and expiring on 18 May 2009 (both days inclusive)

The maximum aggregate annual cap for under the lease period of the Tenancy Agreement based on the aforesaid monthly rental payment terms is approximately HK\$1,170,000, HK\$1,400,000 and HK\$1,400,000 respectively.

The annual rental receivable by the Group for each of its financial years ending on 31 December 2009, 2010, 2011 and 2012 will be approximately HK\$845,806 (for the period from 19 May 2009 to 31 December 2009), HK\$1,368,000 (for twelve months ending 31 December 2010), HK\$1,368,000 (for twelve months ending 31 December 2011) and HK\$294,194 (for the period from 1 January 2012 to 18 March 2012) respectively.

REASON FOR THE TRANSACTION

As disclosed in the announcement of the Company dated 5 November 2007, the Company through Teamway, its indirect wholly owned subsidiary, acquired the Premises for a long-term investment. It is considered that the lease of the Premises would generate the secured steady income to the Group and to enjoy price certainty on rental.

Rental payments under the Tenancy Agreement were agreed to by the Group with reference to the fair market rent of the Premises based on the property valuation report issued by an independent property valuer appointed by the Group.

The Directors, including the independent non-executive Directors, consider that the entering into the Tenancy Agreement is in the ordinary and usual course of business of the Group, and that the terms of the Tenancy Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

CONTINUING CONNECTED TRANSACTION

City First is an indirect wholly-owned subsidiary and hence an associate of Midland, which is itself a substantial shareholder of the Company, and therefore it is a connected person of the Company under the Listing Rules. The entering into of the Tenancy Agreement therefore constitutes continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules.

As each of the applicable percentage ratios in respect of the Tenancy Agreement on an annual basis is less than 2.5%, the transaction is only subject to reporting and announcement requirements under Rules 14A.45 to 14A.47 and Rules 14A.35(1) and 14A.35(2) of the Listing Rules respectively, and no Independent Shareholders' approval is required.

Details of the Tenancy Agreement will be included in the annual report of the Company of each of the relevant financial years in accordance with Rule 14A.46 of the Listing Rules.

INFORMATION ON THE COMPANY

The principal business activities of the Group are provision of industrial and commercial (office and shops) property brokerage services in Hong Kong.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:-

“Board”	the board of Directors
“City First”	City First Limited, a company incorporated in the Hong Kong with limited liability, the principal activity of which is property holding. City First is an indirect wholly-owned subsidiary of Midland
“Company”	Midland IC&I Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning as ascribed under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	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
“Independent Shareholders”	shareholders of the Company, other than Midland and its associates (other than the Group itself)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Midland”	Midland Holdings Limited, a company incorporated in Bermuda and the holding company of the Company, the shares of which are listed on the Main Board of the Stock Exchange
“Midland Group”	Midland and its subsidiaries
“Premises”	The whole of 21 st Floor, Ford Glory Plaza, Kowloon, Hong Kong owned by the Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Teamway”	Teamway Group Limited, a company incorporated in British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company
“Tenancy Agreement”	a tenancy agreement made between Teamway as landlord and City First as tenant on 19 March 2009 relating to the leasing of the Premises

By Order of the Board
Midland IC&I Limited
Wong Tsz Wa
Executive Director and
Chief Executive Officer

Hong Kong, 19 March 2009

As at the date of this announcement, the Board of the Company comprises six Directors, of which two are executive Directors, namely Ms. Tang Mei Lai, Metty and Mr. Wong Tsz Wa; one non-executive Director, namely Mr. Tsang Link Carl, Brian; and three are independent non-executive Directors, namely Mr. Ying Wing Cheung, Mr. Sha Pau, Eric and Mr. Ho Kwan Tat.