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## **CONTINUING CONNECTED TRANSACTION**

On 30 April 2010, MAL, a wholly-owned subsidiary of the Company, entered into the Lease with SYIL in relation to the leasing of an office premises. SYIL is wholly owned by an associate of Ms. Tang, an executive director of the Company. Accordingly, the Lease constitutes a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules.

As the applicable percentage ratios in respect of the annual cap calculated based on the total annual rental payable under the Lease exceed 0.1% and HK\$1,000,000 but do not exceed 2.5%, the Lease is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The principal terms of the Lease entered into on 30 April 2010 are set out below:

### **A. PRINCIPAL TERMS OF THE LEASE**

1. *Date*

30 April 2010

2. *Parties*

- (i) MAL, a wholly-owned subsidiary of the Company, as tenant; and
- (ii) SYIL, a company wholly owned by an associate of Ms. Tang, as landlord. The principal business of SYIL is property investment

3. *Premises to be let*

Nos.11-17 on 7/F, Tower B, New Mandarin Plaza, No.14 Science Museum Road, Kowloon, Hong Kong

4. *Term*

Two years from 1 May 2010 to 30 April 2012 (both days inclusive)

5. *Rental*

HK\$113,166 per month for the first year and HK\$125,740 per month for the second year (both exclusive of management fee, air-conditioning charges and Government rent and rates), payable in advance on the first day of each calendar month

6. *Rent-free period*

31 days from 1 May 2010 to 31 May 2010 (both days inclusive)

7. *Option to renew*

Nil

**B. ANNUAL CAP**

The annual cap for the Lease based on the total annual rental payable under the Lease for each of the three years ending 31 December 2010, 2011 and 2012 is HK\$900,000, HK\$1,600,000 and HK\$550,000 respectively.

**C. REASONS FOR ENTERING INTO THE CONTINUING CONNECTED TRANSACTION**

The Company is an investment holding company and the principal activities of its subsidiaries are provision of property brokerage services in respect of industrial and commercial properties and shops in Hong Kong.

The premises rented under the Lease will be used as offices for the real estate agency business of the Group. The terms of the Lease have been determined after arm's length negotiation between the parties with reference to the prevailing market rent for properties of similar size and location and the prevailing market conditions. The Directors (including the independent non-executive Directors) are of the view that the Lease is entered into on normal commercial terms in the ordinary and usual course of business of the Group and that the terms of the Lease and the annual cap for the Lease are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

**D. LISTING RULES IMPLICATIONS**

SYIL is wholly owned by an associate of Ms. Tang, an executive director of the Company. The Lease accordingly constitutes continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules.

As the applicable percentage ratios in respect of the annual cap calculated based on the total annual rental payable under the Lease exceed 0.1% and HK\$1,000,000 but do not exceed 2.5%, the Lease is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

**E. DEFINITIONS**

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

"associate"	has the same meaning ascribed to it in the Listing Rules
"Board"	the board of Directors
"Company"	Midland IC&I Limited, a company incorporated in the Cayman Islands whose shares are listed on the Main Board of the Stock Exchange
"Directors"	the directors 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
"Lease"	the tenancy agreement dated 30 April 2010 entered into between MAL as tenant and SYIL as landlord in respect of the leasing of an office premises in Tsimshatsui, Hong Kong
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MAL"	Midland Alliance Limited, which is a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
"Ms. Tang"	Ms. Tang Mei Lai, Metty, an executive director of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"SYIL"	Shun Yik International Limited, which is a limited liability company incorporated in the British Virgin Islands and is wholly owned by an associate of Ms. Tang

By order of the Board  
**Midland IC&I Limited**  
**WONG Tsz Wa, Pierre**  
*Executive Director and Chief Executive Officer*

Hong Kong, 30 April 2010

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

\* *For identification purposes only*