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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)**

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

The Purchaser, an associate of Ms. Tang, had on 21 January 2011 entered into a confirmation of service charge with the Group confirming that the Group will be entitled to an estate agency fee equivalent to 1% of the purchase price in connection with the purchase by the Purchaser of the Target Company, which in turn holds a property in Hong Kong.

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, annual review, announcement or independent shareholders' approval requirements on their own) and the Recent Engagement exceed 0.1% and HK\$1,000,000 but do not exceed 5%, the Engagements are only subject to the reporting, annual review 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 lease 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.

The Company was informed by Ms. Tang that the Purchaser, an associate of Ms. Tang, had on 21 January 2011 entered into a confirmation of service charge with the Group confirming that the Group will be entitled to an estate agency fee equivalent to 1% of the purchase price in connection with the purchase by the Purchaser of the Target Company, which in turn holds a

\* *For identification purposes only*

property in Hong Kong. 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, annual review, announcement or independent shareholders' approval requirements on their own) and the Recent Engagement exceed 0.1% and HK\$1,000,000 but do not exceed 5%, the Engagements are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules and their material terms are set out below:

- Period in which the Engagements occurred** : From 1 September 2010 to 21 January 2011
- 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, disposal 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\$4,106,008

Normally, the Group would charge each of the sellers and the purchasers an estate agency fee equivalent to 1% 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 each of the landlords and the tenants an estate agency fee equivalent to half a month's rent on conclusion of the lease of the relevant properties. 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 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 has abstained from voting on the Board resolution(s) approving the Engagements as she is 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, annual review, announcement or independent shareholders' approval requirements on their own) and the Recent Engagement exceed 0.1% and HK\$1,000,000 but do not exceed 5%, the Engagements are only subject to the reporting, annual review 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 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, an executive Director of the Company
“Past Engagements”	a total of 3 engagements by Ms. Tang's associates for provision of estate agency services in relation to the disposal and leasing of real properties occurring within the past 12 months (other than those disclosed in the Previous Announcement and the Recent Engagement)
“Previous Announcement”	the announcement issued by the Company on 30 July 2010
“Purchaser”	Quality Success Limited, a company wholly owned by Ms. Tang's spouse

“Recent Engagement”	the engagement by the Purchaser for provision of estate agency services in relation to the purchase of the Target Company on 13 January 2011
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Moral Winner Investment Limited, a company incorporated in Hong Kong with limited liability and owned by independent third party(ies)

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

Hong Kong, 21 January 2011

*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.*