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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 TRANSACTION

The Board announces that on 19 March 2012, the New Tenancy Agreement regarding the leasing of the Premises for 2 years from 19 March 2012 at monthly rental of HK\$150,000 was entered into between the Group as landlord and City First, an indirect wholly-owned subsidiary of Midland, as tenant.

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

Some of the applicable percentage ratios in respect of the aggregate annual rent payable under the New Tenancy Agreement exceed 0.1% with the relevant annual amounts above the sum of HK\$1,000,000. Nonetheless, all of the applicable percentage ratios in respect of the aggregate annual rent payable under the New Tenancy Agreement are less than 5%. Thus, the New Tenancy Agreement is only subject to the reporting, annual review and announcement requirements but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DETAILS OF THE NEW TENANCY AGREEMENT

Teamway, an indirect wholly-owned subsidiary of the Company, and City First entered into the New Tenancy Agreement for the Premises, details of the principal terms of the New Tenancy Agreement are as follows:-

Date : 19 March 2012

Landlord : Teamway

** For identification purpose only*

Tenant : City First

Premises : The whole of 21st Floor, Ford Glory Plaza, No.37 Wing Hong Street, Kowloon, Hong Kong, which is owned by Teamway

Term : 2 years commencing from 19 March 2012 and expiring on 18 March 2014 (both days inclusive)

Rental : Monthly rental of HK\$150,000. 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 New Tenancy Agreement.

Option to renew : Nil

Rent-free Period : Nil

The aggregate annual cap for each of the years ending 31 December 2012, 2013 and 2014 based on the aforesaid monthly rental payment terms is approximately HK\$1,600,000, HK\$2,000,000 and HK\$500,000 respectively.

DETAILS OF THE PREVIOUS TENANCY AGREEMENT

The New Tenancy Agreement is a renewal of the Previous Tenancy Agreement, details of the principal terms of which are summarised below:-

Date : 19 March 2009

Landlord : Teamway

Tenant : City First

Premises : The whole of 21st Floor, Ford Glory Plaza, No.37 Wing Hong Street, Kowloon, Hong Kong, which is owned by Teamway

Term : 3 years commenced from 19 March 2009 and expired on 18 March 2012 (both days inclusive)

Rental : Monthly rental of HK\$114,000. The monthly rental was 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 Previous Tenancy Agreement.

Option to renew : Subject to exercise by City First of an option to renew the tenancy under the Previous 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.

Rent-free Period : 61 days commenced from 19 March 2009 and expired on 18 May 2009 (both days inclusive)

REASON FOR ENTERING INTO THE NEW TENANCY AGREEMENT

The Premises have been rented to City First as a back office for Midland since March 2009. Rental payments under the New Tenancy Agreement were agreed to by the Group with reference to comparable transactions and the current market conditions for properties of similar size and location.

The Directors, including the independent non-executive Directors, consider that the entering into of the New Tenancy Agreement is in the ordinary and usual course of business of the Group, and that the terms of the New 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.

LISTING RULES IMPLICATIONS

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 City First is a connected person of the Company under the Listing Rules. The entering into of the New Tenancy Agreement therefore constitutes a continuing connected transaction of the Company under Rule 14A.14 of the Listing Rules.

Some of the applicable percentage ratios in respect of the aggregate annual rent payable under the New Tenancy Agreement exceed 0.1% with the relevant annual amounts above the sum of HK\$1,000,000. Nonetheless, all of the applicable percentage ratios in respect of the aggregate annual rent payable under the New Tenancy Agreement are less than 5%. Thus, the New Tenancy Agreement is only subject to the reporting, annual review and announcement requirements but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

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

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 New Tenancy Agreement and had abstained from voting on the Board resolutions passed in connection with the New Tenancy Agreement.

INFORMATION ON THE COMPANY

The principal business activities of the Group are provision of property agency services in respect of commercial and industrial properties and shops 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 Hong Kong with limited liability, the principal activity of which is leasing management. City First is an indirect wholly-owned subsidiary of Midland
“Company”	Midland IC&I Limited, a company incorporated in the 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
“New Tenancy Agreement”	a tenancy agreement dated 19 March 2012 made between Teamway as landlord and City First as tenant in respect of the leasing of the Premises
“Premises”	the whole of 21st Floor, Ford Glory Plaza, No.37 Wing Hong Street, Kowloon, Hong Kong owned by the Group
“Previous Tenancy Agreement”	a tenancy agreement dated 19 March 2009 made between Teamway as landlord and City First as tenant in respect of the leasing of the Premises
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Teamway”

Teamway Group Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company

By Order of the Board
Midland IC&I Limited
MOK Ka Fai
Company Secretary

Hong Kong, 19 March 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); three are Independent Non-executive Directors, namely Mr. YING Wing Cheung, William, Mr. SHA Pau, Eric and Mr. HO Kwan Tat, Ted.