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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 13 March 2014, Teamway, an indirect wholly-owned subsidiary of the Company, entered into the New Tenancy Agreement to lease the Premises to City First for 2 years from 19 March 2014 at monthly rental of HK\$175,000.

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. Accordingly, the New Tenancy Agreement constitutes a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules.

The highest of the applicable percentage ratios in respect of the annual rental payable under the New Tenancy Agreement exceeds 0.1% but all of these ratios are less than 5%. Thus, the New Tenancy Agreement is subject to the reporting, annual review and announcement requirements only 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, entered into the New Tenancy Agreement to lease the Premises to City First. The principal terms of the New Tenancy Agreement are as follows:-

Date: 13 March 2014

Landlord: Teamway

Tenant: City First

** For identification purpose only*

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 2014 and expiring on 18 March 2016 (both days inclusive)

Rental: Monthly rental of HK\$175,000. 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 2014, 2015 and 2016 based on the monthly rental payable is HK\$1,800,000, HK\$2,300,000 and HK\$600,000 respectively.

DETAILS OF THE PREVIOUS TENANCY AGREEMENT

The New Tenancy Agreement is to renew the lease of the Premises under the Previous Tenancy Agreement, details of the principal terms of which are summarised below:-

Date: 19 March 2012

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: 2 years commenced from 19 March 2012 and expired on 18 March 2014 (both days inclusive)

Rental: Monthly rental of HK\$150,000. 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: Nil

Rent-free period: Nil

REASON FOR ENTERING INTO THE NEW TENANCY AGREEMENT

The Company through its indirect wholly-owned subsidiary Teamway acquired the Premises for a long-term investment. The lease of the Premises will generate secure and steady income and provide price certainty on rental for the benefits of the Group.

The rental payments under the New Tenancy Agreement were agreed to by the Group on arm's length basis 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 lease of the Premises under the New Tenancy Agreement therefore constitutes a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules.

The highest of the applicable percentage ratios in respect of the annual rental payable under the New Tenancy Agreement exceeds 0.1% but all of these ratios are less than 5%. Thus, the New Tenancy Agreement is subject to the reporting, annual review and announcement requirements only 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 have abstained from voting on the resolutions at the Board meeting approving the same.

INFORMATION ON THE COMPANY

The principal 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:-

“associate”	has the meaning ascribed thereto under the Listing Rules
“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 ascribed thereto 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 with limited liability and the holding company of the Company, the shares of which are listed on the Stock Exchange

“New Tenancy Agreement”	a tenancy agreement dated 13 March 2014 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 2012 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
MUI Ngar May, Joel
Company Secretary

Hong Kong, 13 March 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); three are Independent Non-executive Directors, namely Mr. YING Wing Cheung, William, Mr. SHA Pau, Eric and Mr. HO Kwan Tat, Ted.