

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Midland IC&I Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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DISCLOSEABLE TRANSACTION
ACQUISITION OF PROPERTIES

A letter from the Board is set out on pages 3 to 6 of this circular.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least seven (7) days from the date of its publication.

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the acquisition of the Properties pursuant to the Agreements
“associates”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	the board of Directors
“Carpark”	the car-parking space no. P4 that will be located on the 1st Floor, Nos. 37–39 Wing Hong Street and 70–72 King Lam Street, Cheung Sha Wan, Kowloon, Hong Kong
“Company”	Midland IC&I Limited, a company incorporated in the Cayman Islands with limited liability with its shares listed on the GEM of the Stock Exchange
“Completion”	the completion of the sale and purchase of the Properties
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal sale and purchase agreement for the Acquisition to be entered into between the Vendor and the Purchaser
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	an independent third party not connected with any of the Directors, chief executives, substantial shareholders or management shareholders of the Company or any of its subsidiaries or their respective associates

DEFINITIONS

“Latest Practicable Date”	22nd November 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contain herein
“Letter of Offer”	the legally-binding letter of offer dated 1st November 2007 entered into between the Vendor and the Purchaser relating to the sale and purchase of the Properties
“Premises”	the premises that will be situated at 21st Floor, Nos. 37–39 Wing Hong Street and 70–72 King Lam Street, Cheung Sha Wan, Kowloon, Hong Kong
“Properties”	the Premises and the Carpark
“Provisional Sale and Purchase Agreement”	the provisional sale and purchase agreement for the Acquisition to be entered into between the Vendor and the Purchaser
“Purchase Price”	the total purchase price of HK\$32,774,355 for the Properties
“Purchaser”	Teamway Group Limited, a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Sun Top Development Limited
“%”	per cent.

LETTER FROM THE BOARD



MIDLAND IC&I LIMITED

美聯工商舖有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8090)

Executive Directors:

Mr. Wong Tsz Wa, Pierre (*Chief Executive Officer*)

Ms. Ip Kit Yee, Kitty (*Managing Director*)

Ms. Wong Ching Yi, Angela

Non-executive Director:

Mr. Tsang Link Carl, Brian

Independent non-executive Directors:

Mr. Koo Fook Sun, Louis

Mr. Sha Pau, Eric

Mr. Ying Wing Cheung, William

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head Office and Principal Place
of Business:*

Room 1801A, 18th Floor

One Grand Tower

639 Nathan Road

Mongkok, Kowloon

Hong Kong

26th November 2007

DISCLOSEABLE TRANSACTION

ACQUISITION OF PROPERTIES

To the Shareholders

Dear Sir or Madam,

INTRODUCTION

Reference is made to the announcement of the Company dated 5th November 2007 in relation to the Acquisition which constituted a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules. The main purpose of this circular is to give you further information regarding the Acquisition.

* For identification purpose only

LETTER FROM THE BOARD

ACQUISITION OF PROPERTIES

On 1st November 2007, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Letter of Offer with the Vendor for the acquisition of the Properties. The principal terms and conditions of the Acquisition are set out below:–

Parties

- i Purchaser – Teamway Group Limited, a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company; and
- ii Vendor – Sun Top Development Limited. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties, and its principal business is property development.

The Properties

- Premises : 21st Floor, Nos. 37–39 Wing Hong Street and 70–72 King Lam Street, Cheung Sha Wan, Kowloon, Hong Kong. It is an industrial premises with a gross area of 10,377 square feet.
- Carpark : Car-parking space no. P4 to be located on the 1st Floor, Nos. 37–39 Wing Hong Street and 70–72 King Lam Street, Cheung Sha Wan, Kowloon, Hong Kong.

Consideration

The Purchase Price is HK\$32,774,355, which was agreed after arm's length negotiation between the Purchaser and the Vendor by reference to the prevailing market value, and shall be payable in cash as follows:

- i a sum of HK\$1,638,717.75, being 5% of the Purchase Price, was paid upon signing of the Letter of Offer on 1st November 2007;
- ii a sum of HK\$1,638,717.75, being 5% of the Purchase Price, was paid on 15th November 2007;
- iii a further sum of HK\$1,638,717.75, being 5% of the Purchase Price, shall be payable upon signing of the Formal Agreement; and
- iv the balance of the Purchase Price shall be payable on Completion.

LETTER FROM THE BOARD

Signing of the Provisional Sale and Purchase Agreement and Formal Agreement

The Provisional Sale and Purchase Agreement will be entered into between the Vendor and the Purchaser soon.

Pursuant to the Letter of Offer, the Formal Agreement shall be entered into between the Vendor and the Purchaser not earlier than 1st April 2008 but not later than 30th June 2008.

Completion

According to the Letter of Offer, the Completion shall take place within 14 days of the Purchaser being notified in writing by the Vendor's solicitors that the occupation permit has been issued and the Vendor is in a position validly to assign the Properties to the Purchaser.

REASONS FOR THE ACQUISITION

The Group has expertise and experience in the industrial and commercial property market in Hong Kong. In light of the strong local economic growth, it is expected that industrial and commercial buildings is one of the sectors that would offer attractive returns for investors. The Directors consider that the Acquisition is a good investment opportunity for the Group and believe that it will benefit from the potential capital gains in terms of the appreciation in value of the Properties while expanding the investment portfolio of the Group to include property investment in Hong Kong. With an aim to maintain an optimum level of the Group's investment portfolio and depending on the prevailing market condition, the Company intends to hold the Properties as a long-term investment.

The Directors (including the independent non-executive Directors) considered that the terms of the Acquisition are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

The Acquisition constituted a discloseable transaction for the Company under the GEM Listing Rules.

FINANCIAL EFFECT ON THE GROUP

There will not be any significant impact on the earnings, assets and liabilities of the Group following the Acquisition. The Acquisition will be funded by internal resources and banking financing, the proportion between them will be fixed as and when the Completion takes place in year 2009.

LETTER FROM THE BOARD

INFORMATION OF THE COMPANY

The Company is an investment holding company and the principal activities of its subsidiaries are provision of industrial and commercial (office and shops) property agency services in Hong Kong.

GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Your faithfully,
By Order of the Board
Wong Tsz Wa, Pierre
*Executive Director and
Chief Executive Officer*

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests and short positions of each of the Directors, chief executives of the Company in the Shares, underlying shares or debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which were:

- (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or
- (b) required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or
- (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange; were as follows:

Name of Director	Number of Shares			Equity derivative (Share options)	Total	Percentage of shareholding
	Personal interests	Family interests	Corporate interests			
Mr. Tsang Link Carl, Brian	-	-	-	83,000,000	83,000,000	1.00%
				(Note)		

Note: These share options were granted under the share option scheme of the Company to Mr. Tsang Link Carl, Brian on 16th January 2006 for subscription of 83,000,000 Shares at the exercise price of HK\$0.06 each.

All the interests disclosed above represent long position in the Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, nor chief executive of the Company, had or deemed to have any interests or short positions in the Shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), that were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; (b) entered into the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests or short positions of every person, other than a Director or chief executive of the Company, in the Shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of shareholder	Number of issued shares	Number of underlying shares	Capacity in which shares are held	Percentage of shareholding
Midland Holdings Limited	4,300,000,000	5,400,000,000 (Note 1)	Interest in controlled corporation	116.87%
Tretsfeld Investments Limited	-	5,400,000,000 (Note 1)	Beneficial owner	65.06%
Mr. Pong Wai San, Wilson (Note 2)	882,910,000	-	Beneficial owner and interest in controlled corporation	10.64%
Ms. Tung Ching Yee, Helena (Note 3)	882,910,000	-	Interest of spouse	10.64%
Summerview Enterprises Limited (Note 4)	882,300,000	-	Beneficial owner	10.63%

Notes:

- These underlying shares refer to the Shares to be issued upon full conversion of the Convertible Note in the principal amount of HK\$540 million issued by the Company to Tretsfeld Investments Limited. Tretsfeld Investments Limited is a wholly-owned subsidiary of Midland Holdings Limited. The percentage holding of Midland Holdings Limited and Tretsfeld Investments Limited represents their interest in the enlarged issued share capital of the Company after full conversion of the Convertible Note.
- 882,300,000 Shares were registered in the name of and beneficially owned by Summerview Enterprises Limited and 610,000 Shares were registered in the name of Mr. Pong Wai San, Wilson. The entire issued share capital of Summerview Enterprises Limited was registered in the name of and beneficially owned by Mr. Pong Wai San, Wilson.
- Ms. Tung Ching Yee, Helena is the spouse of Mr. Pong Wai San, Wilson, these shares held by Ms. Tung Ching Yee, Helena represent the same block of Shares held by Mr. Pong Wai San, Wilson.
- The interest of Summerview Enterprises Limited in the Company duplicates those of Mr. Pong Wai San, Wilson in the Company.

All the interests disclosed above represent long position in the Shares.

Save as disclosed above, as at the Latest Practicable Date, the Board is not aware of any other persons (other than the Directors and chief executives of the Company) that had interests or short position in the Shares or underlying shares of the Company that were required to be recorded pursuant to Section 336 of the SFO.

LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration or claims of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract with the Company which was not determinable by the Company within one year without payment of compensation (other than statutory compensation).

COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective associate(s) is interested in any business which competes or is likely to complete, wither directly or indirectly, with the business of the Group.

MISCELLANEOUS

- i The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- ii The head office and principal place of business of the Company is situated at Room 1801A, 18th Floor, One Grand Tower, 639 Nathan Road, Mongkok, Kowloon, Hong Kong.
- iii The qualified accountant of the Company is Mr. Sum Yan Ning, Raymond who is an associate member of Hong Kong Institute of Certified Public Accountants and a fellow member of Association of Chartered Certified Accountants.
- iv The company secretary of the Company is Ms. Yuen Wing Kwan, Annie who is an associate member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- v The share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.

- vi The compliance officer of the Company is Ms. Ip Kit Yee, Kitty who is also an executive Director.
- vii Under the terms of reference of the audit committee of the Company, the audit committee is required to evaluate the overall effectiveness of the internal control and risk management frameworks, to review the accounting principles and practices adopted by the Group and other financial reporting matters and ensure the completeness, accuracy and fairness of the financial statements, to monitor compliance with statutory and listing requirements and to oversee the relationship with the external auditors. The audit committee of the Company currently comprises three independent non-executive Directors, namely, Mr. Koo Fook Sun, Louis, Mr. Sha Pau, Eric and Mr. Ying Wing Cheung, William.
- (a) Mr. Koo Fook Sun, Louis, aged 51, is the managing director of Hercules Capital Limited, a corporate finance advisory firm. Mr. Koo has many years of experience in investment banking and professional accounting. He was the managing director and head of the corporate finance department of a major international bank, a director and chief executive officer of a main board listed company. Mr. Koo graduated with a bachelor's degree in business administration from the University of California at Berkeley and is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Koo has been appointed an independent non-executive Director, chairman of the audit committee and a member of the remuneration committee and nomination committee of the Company all with effect from 24th June 2005. Mr. Koo currently serves as an independent non-executive Director of another seven companies listed on the Stock Exchange, namely China Communications Construction Company Limited, Good Friend International Holdings Inc., Li Ning Company Limited, Midland Holdings Limited, Richfield Group Holdings Limited, Weichai Power Co., Ltd. and Xingda International Holdings Limited.
- (b) Mr. Sha Pau, Eric, aged 50, is the founder of and is currently managing director of Konda Industries Limited, a special leather goods manufacturing and exporting firm. Mr. Sha has over 21 years' solid experience in international marketing field and is now specified in formulating corporate strategies and overall management and marketing. He holds a Bachelor's degree in Business Administration from Windsor University, Ontario, Canada. Mr. Sha has been appointed as independent non-executive director as well as members of the audit committee, remuneration committee and nomination committee of the Company all with effect from 13th March 2006.
- (c) Mr. Ying Wing Cheung, William, aged 56, has over 32 years' experience in electronic products manufacturing business and is well versed in marketing strategic and corporate strategic planning. Mr. Ying is a managing director of Way Mild Company Limited and a director of Yangzhou Jiang Jia Electronics Co. Ltd. He has been appointed as a member of Guangdong Committee of Chinese People's Political Consultative Conference for the Eighth Term and the Ninth Term since 1998 to 2008. Mr. Ying was also a member of Jiangmen

Committee of Chinese People's Political Consultative Conference for the Eighth Term and the Ninth Term since 1993 to 2003. Mr. Ying serves in many social organisations; he is currently a president of Sze Yap Clansmen Association (New Territories, Hong Kong) Limited and a member of Jiangsu Province Chinese Overseas Friendship Association. Mr. Ying has also been appointed as members of audit committee, remuneration committee and nomination committee of the Company all with effect from 17th May 2005.

Save as disclosed above, as at the Latest Practicable Date, none of the audit committee members held other directorships in any company listed on the Stock Exchange or other stock exchanges in the past three years.

- viii The English text of this circular shall prevail over the Chinese text, in the case of any inconsistency.