

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in **any doubt** about this circular, you should consult your stockbroker, other registered dealer in securities, bank manager, solicitor, 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 and the accompanying proxy form 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 transferee.

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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)

PROPOSED SHARE CONSOLIDATION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting (the “Meeting”) of Midland IC&I Limited (the “Company”) is set out on pages 11 to 12 of this circular. Whether or not you intend to attend the Meeting, please complete the accompanying proxy form in accordance with the instructions stated thereon and return it to the Company’s Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the Meeting and at any adjournment thereof if you so wish, in which case the proxy form shall be deemed to be revoked.

* For identification purpose only

CONTENTS

	<i>Page</i>
Definitions	1
Expected Timetable	3
Letter from the Board	5
Notice of Extraordinary General Meeting	11

DEFINITIONS

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

“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by the HKSCC
“Company”	Midland IC&I Limited (stock code: 459), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) with par value of HK\$0.1 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Convertible Note”	the convertible note due 2021 in the outstanding principal amount of HK\$200 million issued by the Company to a company indirectly wholly-owned by Mr. WONG Kin Yip, Freddie on 22 March 2017
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Rooms 2505-8, 25th Floor, World-Wide House, 19 Des Voeux Road Central, Hong Kong on Tuesday, 27 June 2017 at 12:15 p.m. (or immediately after the annual general meeting of the Company convened to be held on the same day shall have been concluded or adjourned) for the Shareholders to consider and, if thought fit, approve the Share Consolidation, the notice of which is set out on pages 11 to 12 of this circular
“Existing Share(s)”	ordinary share(s) with par value of HK\$0.01 each in the share capital of the Company
“Existing Share Certificate(s)”	existing share certificate(s) in the colour of yellow for the Existing Shares
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Latest Practicable Date”	7 June 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Certificate(s)”	new share certificate(s) in the colour of green with yellow border for the Consolidated Shares
“Share Consolidation”	the proposed consolidation of every ten (10) Existing Shares into one (1) Consolidated Share
“Share Option(s)”	option(s) to subscribe for new shares of the Company granted under the Share Option Scheme
“Share Option Scheme”	share option scheme adopted by the Company on 19 September 2008
“Shareholder(s)”	holder(s) of the Existing Share(s) or the Consolidated Share(s), as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

In case of any inconsistency between the English and Chinese versions of this circular and the accompanying form of proxy, the English version shall prevail.

EXPECTED TIMETABLE

The expected timetable of the implementation of the Share Consolidation is set out below:

Latest date and time for lodging transfer documents 4:30 p.m. on Wednesday,
21 June 2017

Closure of register of members Thursday, 22 June 2017 to
Tuesday, 27 June 2017
(both dates inclusive)

Latest date and time for lodging form
of proxy for the EGM 12:15 p.m. on Sunday,
25 June 2017

Date and time of the EGM 12:15 p.m. on Tuesday, 27 June 2017
(or immediately after the annual general meeting
of the Company convened to be held on the same
day shall have been concluded or adjourned)

Announcement of the poll results of the EGM Tuesday, 27 June 2017

The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation

Effective date of the Share Consolidation Wednesday, 28 June 2017

First day of free exchange of Existing Share
Certificates for New Share Certificates Wednesday, 28 June 2017

Dealings in the Consolidated Shares commences . . . 9:00 a.m. on Wednesday, 28 June 2017

Original counter for trading in the Existing
Shares in board lot of 10,000
Existing Shares (in the form of Existing
Share Certificates) temporarily closes 9:00 a.m. on Wednesday, 28 June 2017

Temporary counter for trading in the
Consolidated Shares in board lot of 1,000
Consolidated Shares (in the form of
Existing Share Certificates) opens 9:00 a.m. on Wednesday, 28 June 2017

Original counter for trading in the
Consolidated Shares in board lot of 10,000
Consolidated Shares (in the form of
New Share Certificates) re-opens 9:00 a.m. on Wednesday, 12 July 2017

Parallel trading in the Consolidated Shares
(in the form of New Share Certificates and
Existing Share Certificates) commences 9:00 a.m. on Wednesday, 12 July 2017

EXPECTED TIMETABLE

Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares 9:00 a.m. on Wednesday, 12 July 2017

Temporary counter for trading in the Consolidated Shares in board lot of 1,000 Consolidated Shares (in the form of Existing Share Certificates) closes 4:00 p.m. on Tuesday, 1 August 2017

Parallel trading in the Consolidated Shares (in the form of New Share Certificates and Existing Share Certificates) ends 4:00 p.m. on Tuesday, 1 August 2017

Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares 4:00 p.m. on Tuesday, 1 August 2017

Last day for free exchange of Existing Share Certificates for New Share Certificates Thursday, 3 August 2017

All times and dates in this circular refer to Hong Kong local times and dates. The expected timetable set out above is indicative only and may be subject to change. Further announcement(s) will be made by the Company as and when appropriate.

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: 459)

Non-Executive Directors:

Mr. KAN Chung Nin, Tony (*Chairman*)

Ms. TANG Mei Lai, Metty

Mr. TSANG Link Carl, Brian

(with Mr. CHU Kuo Fai, Gordon as his alternate)

Executive Directors:

Ms. WONG Ching Yi, Angela

Mr. WONG Hon Shing, Daniel (*Chief Executive Officer*)

Independent Non-Executive Directors:

Mr. YING Wing Cheung, William

Mr. SHA Pau, Eric

Mr. HO Kwan Tat, Ted

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head Office and Principal Place
of Business in Hong Kong:*

Rooms 2505-8

25th Floor

World-Wide House

19 Des Voeux Road Central

Hong Kong

9 June 2017

To the Shareholders

Dear Sir/Madam,

**PROPOSED SHARE CONSOLIDATION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 18 May 2017, in which the Board proposed to put forward to the Shareholders a proposal of the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of par value of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of par value of HK\$0.1 in the share capital of the Company.

The purpose of this circular is to provide you with the information in relation to the Share Consolidation and to give you the notice of the EGM.

* *For identification purpose only*

LETTER FROM THE BOARD

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$0.1 each in the share capital of the Company.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares.

Effects of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$500,000,000 divided into 50,000,000,000 Existing Shares of a par value of HK\$0.01 each, of which 18,052,826,086 Existing Shares had been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no Existing Shares are issued or bought back from the Latest Practicable Date until the effective date of the Share Consolidation, the authorised share capital of the Company shall become HK\$500,000,000 divided into 5,000,000,000 Consolidated Shares of a par value of HK\$0.1 each, of which 1,805,282,608 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other in accordance with the articles of association of the Company.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

Listing application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined

LETTER FROM THE BOARD

by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal in is being or is proposed to be sought.

Reasons for the Share Consolidation

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. In view of the prevailing trading price of the Existing Shares, the Board proposes to implement the Share Consolidation. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange. Furthermore, as the theoretical market value of each board lot of the Consolidated Shares upon the Share Consolidation becoming effective as illustrated in the sub-section headed “Board lot size” below will be higher than the market value of each board lot of the Existing Shares, the transaction cost as a proportion of the market value of each board lot will be lower. It is expected that the liquidity in trading of the Consolidation Shares will increase accordingly.

It is also believed that the adjusted share price as a result of the Share Consolidation will enhance the corporate image of the Company so as to make investing in the Consolidated Shares more attractive to a broader range of institutional and professional investors and thus help to further broaden the shareholder base of the Company.

Accordingly, the Directors consider that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company had (i) no current intention or concrete plan for carrying out any equity fundraising exercise in the next 12 months; or (ii) no current intention to carry out any further share consolidation, subdivision or change in board lot size in the next 12 months other than the Share Consolidation.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the shares of the Company regardless of the number of share certificates held by such holder.

LETTER FROM THE BOARD

Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Board lot size

Currently, the Existing Shares are traded on the main board of the Stock Exchange in the board lot of 10,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 10,000 Consolidated Shares.

Based on the closing price of HK\$0.046 per Existing Share (equivalent to the theoretical closing price of HK\$0.46 per Consolidated Share) as at the Latest Practicable Date, the value of each board lot of the Existing Shares is HK\$460 and the theoretical market value of each board lot of the Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$4,600.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed South China Securities Limited to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots, of the Consolidated Shares during the period from 9:00 a.m. on Wednesday, 12 July 2017 to 4:00 p.m. on Tuesday, 1 August 2017 (both days inclusive). Shareholders who wish to take advantage of this facility should contact Mr. Jerry LOW of South China Securities Limited at 19/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong or at telephone number (852) 3196 6271 during office hours of such period. Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder who is in doubt about the odd lot facility is recommended to consult his/her/its own professional advisers.

Exchange of share certificate

Subject to the Share Consolidation becoming effective, the Shareholders may between 9:00 a.m. and 4:30 p.m. on any business day from Wednesday, 28 June 2017 to Thursday, 3 August 2017 (both days inclusive) submit Existing Share Certificates to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expenses of the Company, for New Share Certificates. Thereafter, Existing Share Certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each Existing Share Certificate submitted for cancellation or each New Share Certificate issued, whichever the number of share certificates cancelled/issued is higher.

After 4:00 p.m. on Tuesday, 1 August 2017, Existing Share Certificates will only remain effective as documents of title and may be exchanged for New Share Certificates at any time but will not be accepted for delivery, trading and settlement purposes.

LETTER FROM THE BOARD

Adjustments in relation to the other securities of the Company

Share Options

As at the Latest Practicable Date, the Company had outstanding Share Options entitling the holders thereof to subscribe for a total of 125,000,000 Existing Shares. Under the terms and conditions of the Share Option Scheme, the Share Consolidation may lead to adjustments to the number of shares of the Company available for issue under the unutilised scheme limit of the Share Option Scheme, and/or the exercise price and/or the number of shares of the Company falling to be issued upon the exercise of the Share Options. The Company will make further announcement(s) on such adjustment(s) as and when appropriate.

Convertible Note

As at the Latest Practicable Date, there was an outstanding Convertible Note with a principal amount of HK\$200 million which would be convertible into 4,347,826,086 Existing Shares at the prevailing conversion price of HK\$0.046. The Share Consolidation may lead to adjustment to the conversion price and the number of shares of the Company falling to be issued upon the exercise of the conversion right attaching to the Convertible Note in accordance with the terms and conditions of the Convertible Note. The Company will make further announcement(s) on such adjustment(s) as and when appropriate.

Save as disclosed above, the Company did not have any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares, as at the Latest Practicable Date.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice of the EGM is set out on pages 11 to 12 of this circular. A proxy form for appointing proxy is despatched with this circular and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.midlandici.com.hk). Whether or not you intend to attend the EGM, you are requested to complete the proxy form in accordance with the instructions stated thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM and at any adjournment thereof if you so wish. In such event, the proxy form shall be deemed to be revoked.

VOTING AT THE EXTRAORDINARY GENERAL MEETING

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the EGM will demand a poll for the resolution put to the vote at the EGM pursuant to Article 66 of the Articles. An announcement on the results of the poll will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.midlandici.com.hk) after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the implementation of the Share Consolidation is in the best interests of the Company and the Shareholders as a whole and therefore recommend the Shareholders to vote in favour of the resolution approving the Share Consolidation to be proposed at the EGM.

Yours faithfully,
For and on behalf of the Board
Midland IC&I Limited
WONG Hon Shing, Daniel
Chief Executive Officer and Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING



Midland IC&I Limited 美聯工商舖有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 459)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “Meeting”) of Midland IC&I Limited (the “Company”) will be held at Rooms 2505-8, 25th Floor, World-Wide House, 19 Des Voeux Road Central, Hong Kong on Tuesday, 27 June 2017 at 12:15 p.m. (or immediately after the annual general meeting of the Company convened to be held on the same day shall have been concluded or adjourned) for the following purposes:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited of the approval for the listing of, and permission to deal in, the ordinary shares of the Company consolidated in the manner as set out in paragraph (a) of this resolution below (the “Share Consolidation”):

- (a) with effect from the first trading day immediately following the date on which this resolution is passed or the above condition is fulfilled (whichever is the later), every ten (10) issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company be consolidated into one (1) share of HK\$0.1 (each a “Consolidated Share”) in the share capital of the Company, such Consolidated Share(s) shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the articles of association of the Company; and
- (b) the board of directors of the Company be and is hereby authorised to do all such acts and things and execute all such documents, including under seal where applicable, as it considers necessary, desirable or expedient to give effect to the foregoing arrangements for the Share Consolidation.”

By Order of the Board
Midland IC&I Limited
WONG Hon Shing, Daniel

Chief Executive Officer and Executive Director

Hong Kong, 9 June 2017

* For identification purpose only

NOTICE OF EXTRAORDINARY GENERAL MEETING

*Head Office and Principal Place
of Business in Hong Kong:*
Rooms 2505-8
25th Floor
World-Wide House
19 Des Voeux Road Central
Hong Kong

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Notes:

- (a) The resolution at the Meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited and the Company in accordance with the Listing Rules.
- (b) A member entitled to attend and vote at the Meeting is entitled to appoint one or (if he is a holder of two or more shares) more than one proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (c) Whether or not you intend to attend the Meeting, you are requested to complete and return the proxy form in accordance with the instructions stated thereon.
- (d) To be valid, the completed proxy form together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power of attorney or authority, must be deposited at the Company’s Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the Meeting and at any adjournment thereof if you so wish. In such event, the proxy form shall be deemed to be revoked.
- (e) In the case of joint holders, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders are present at any meeting the vote(s) of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), and for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company. Several executors or administrators of a deceased member in whose name any share stands shall for this purpose be deemed joint holders thereof.
- (f) The register of members of the Company will be closed from Thursday, 22 June 2017 to Tuesday, 27 June 2017, both days inclusive, during which period no transfer of shares will be registered. To be eligible to attend and vote at the Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 21 June 2017.