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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 TRANSACTION
IN RELATION TO THE DISPOSAL OF 10% EQUITY AND DEBT
INTERESTS IN THE TARGET COMPANY**

THE DISPOSAL

The Board wishes to announce that on 21 September 2018 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, entered into the SPA I with Ms. Wong (a connected person of the Company), pursuant to which the Vendor has conditionally agreed to sell, assign and transfer to Ms. Wong, and Ms. Wong has conditionally agreed to purchase and acquire from the Vendor, all of the Vendor's right, title and interest in and to the Sale Shares I and the Sale Loan I, at the consideration of HK\$3,851,799, representing 5% of equity interest in the Target Company and 5% of the debts owed to the Vendor by the Target Company and/or any of its subsidiaries, subject to and in accordance with the terms and conditions of the SPA I. The principal assets of the Target Group are the Properties.

The Board further wishes to announce that on 21 September 2018 (after trading hours), the Vendor entered into the SPA II with Mr. Wong, pursuant to which the Vendor has conditionally agreed to sell, assign and transfer to Mr. Wong, and Mr. Wong has conditionally agreed to purchase and acquire from the Vendor, all of the Vendor's right, title and interest in and to the Sale Shares II and the Sale Loan II, at the consideration of HK\$3,851,799, representing 5% of equity interest in the Target Company and 5% of the debts owed to the Vendor by the Target Company and/or any of its subsidiaries, subject to and in accordance with the terms and conditions of the SPA II.

On Closing, the Shareholders' Agreement will be entered into among the Vendor, Ms. Wong and Mr. Wong to govern the conduct of affairs of the Target Group and manage the Properties.

* For identification purpose only

LISTING RULES IMPLICATIONS

As at the date of this announcement, Ms. Wong is an executive Director and hence she is a connected person of the Company. Accordingly, the entering into of the SPA I together with the Shareholders' Agreement constitute a connected transaction for the Company. Mr. Wong is a consultant of the Company but not a connected person of the Company under the Listing Rules.

Since the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) exceeds 0.1% but falls below 5%, the entering into of the SPA I and the Shareholders' Agreement are subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On 21 September 2018 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, entered into the SPA I with Ms. Wong (a connected person of the Company), pursuant to which the Vendor has conditionally agreed to sell, assign and transfer to Ms. Wong, and Ms. Wong has conditionally agreed to purchase and acquire from the Vendor, all of the Vendor's right, title and interest in and to the Sale Shares I and the Sale Loan I, at the consideration of HK\$3,851,799, representing 5% of equity interest in the Target Company and 5% of the debts owed to the Vendor by the Target Company and/or any of its subsidiaries, subject to and in accordance with the terms and conditions of the SPA I.

On the same date (after trading hours), the Vendor entered into the SPA II with Mr. Wong, pursuant to which the Vendor has conditionally agreed to sell, assign and transfer to Mr. Wong, and Mr. Wong has conditionally agreed to purchase and acquire from the Vendor, all of the Vendor's right, title and interest in and to the Sale Shares II and the Sale Loan II, at the consideration of HK\$3,851,799, representing 5% of equity interest in the Target Company and 5% of the debts owed to the Vendor by the Target Company and/or any of its subsidiaries, subject to and in accordance with the terms and conditions of the SPA II.

THE SPA I

A summary of the principal terms of the SPA I are set out below:

- Date: 21 September 2018 (after trading hours)
- Parties: (1) the Vendor (as vendor)
- (2) Ms. Wong (as purchaser)

Subject matter: The Vendor has agreed to sell, assign and transfer to Ms. Wong and Ms. Wong has agreed to purchase and acquire from the Vendor, all of the Vendor's right, title and interest in and to the Sale Shares I and the Sale Loan I, representing 5% of the equity interest in the Target Company and 5% of the debts owed by the Target Company and/or any of its subsidiaries to the Vendor as at Closing respectively.

Consideration: The purchase price payable by Ms. Wong for the Sale Shares I and the Sale Loan I will be HK\$3,851,799 (the "**Consideration I**"), subject to the Adjustment as provided in the provisions of SPA I.

For the purpose of apportionment, the consideration for the Sale Loan I shall be equal to the face value of the Sale Loan I and the remaining amount of the Consideration I shall be the consideration for the Sale Shares I.

Ms. Wong will pay the entire sum of the Consideration I upon Closing in cash.

The purchase price under the SPA I was negotiated on an arm's length basis between the parties on normal commercial terms with reference to (i) the market value of the Properties of HK\$207.8 million as at 30 June 2018, as assessed by an independent professional property valuer; (ii) the amount of other assets and liabilities of the Target Group excluding the debts owed to the Vendor by the Target Group as at 30 June 2018 but including a bank loan of HK\$131.0 million obtained subsequent to completion of the Acquisition (as defined below); and (iii) the percentages of equity and debt interests to be sold under SPA I.

Adjustment: Consideration I will be adjusted if the amount of the total consolidated assets (other than the Properties) of the Target Group less the total consolidated liabilities (other than the debts owed by the Target Group to the Vendor) of the Target Group ("**Other Assets and Liabilities**") as at the Closing Date is either more or less than the amount of the Other Assets and Liabilities as at 30 June 2018, then an amount equivalent to such difference will be applied to the Consideration I.

Condition Precedent: The obligation of the Vendor and Ms. Wong to complete the sale and purchase of the Sale Shares I and the Sale Loan I at Closing is conditional upon the Company having complied with all applicable requirements under the Listing Rules in relation to the SPA I and the Shareholders' Agreement and the transactions contemplated thereunder (the "**Condition Precedent**").

The Condition Precedent is required to be fulfilled on or before the Longstop Date. If the Condition Precedent has not been fulfilled on or before the Longstop Date, the SPA I will terminate automatically and no party to SPA I shall have any claims against the other party, save in respect of any antecedent breaches of the SPA I.

Counter-guarantee:

Ms. Wong shall provide a deed of counter-guarantee to the Company in respect of the Original Guarantee, provided that the liability of Ms. Wong under the deed of counter-guarantee shall not exceed 5% of the total liabilities of the Company under the Original Guarantee. Ms. Wong further agrees that in the event the Vendor (or any of the Affiliates) is required to provide any other guarantee or similar security to any lender(s) in relation to any loan facilities of the Target Group and/or any of its subsidiaries, Ms. Wong shall provide a further counter-guarantee to the Vendor (or the relevant Affiliates) pro-rata to her shareholding percentage in the Target Company.

Closing:

Subject to the satisfaction of the Condition Precedent set out above and the terms and conditions of the SPA I, Closing shall take place on the Closing Date.

In the event that a party to the SPA I shall fail to perform its or her obligation as required upon Closing under the provisions of the SPA I, without prejudice to any other right or remedy available to the other party, the non-defaulting party may:

- (a) defer Closing to a day not more than fourteen (14) days after the Closing Date; or
- (b) proceed to Closing so far as practicable (but without prejudice to the non-defaulting party's right); or
- (c) terminate the SPA I without liability on its or her part.

THE SPA II

A summary of the principal terms of the SPA II are set out below:

Date: 21 September 2018 (after trading hours)

Parties: (1) the Vendor (as vendor)
(2) Mr. Wong (as purchaser)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Mr. Wong's appointment as a consultant of the Company and a director of Midland Holdings, Mr. Wong is independent of and is not connected with any of the Directors, chief executives or substantial shareholders of the Company, or any of the subsidiaries or associates of any of the foregoing entities.

Subject matter: The Vendor has agreed to sell, assign and transfer to Mr. Wong and Mr. Wong has agreed to purchase and acquire from the Vendor, all of the Vendor's right, title and interest in and to the Sale Shares II and the Sale Loan II, representing 5% of the equity interest in the Target Company and 5% of the debts owed by the Target Company and/or any of its subsidiaries to the Vendor as at Closing respectively.

Consideration: The purchase price payable by Mr. Wong for the Sale Shares II and the Sale Loan II will be HK\$3,851,799 (the "**Consideration II**"), subject to the Adjustment as provided in the provisions of SPA II.

For the purposes of apportionment, the consideration for the Sale Loan II shall be equal to the face value of the Sale Loan II and the remaining amount of the Consideration II shall be the consideration for the Sale Shares II.

Mr. Wong will pay the entire sum of the Consideration II upon Closing in cash.

The purchase price under the SPA II was negotiated on an arm's length basis between the parties on normal commercial terms with reference to (i) the market value of the Properties of HK\$207.8 million as at 30 June 2018, as assessed by an independent professional property valuer; (ii) the amount of other assets and liabilities of the Target Group excluding the debts owed to the Vendor by the Target Group as at 30 June 2018 but including a bank loan of HK\$131.0 million obtained subsequent to completion of the Acquisition (as defined below); and (iii) the percentages of equity and debt interests to be sold under SPA II.

Adjustment: Consideration II will be adjusted if the amount of the Other Assets and Liabilities as at the Closing Date is either more or less than the amount of the Other Assets and Liabilities as at 30 June 2018, then an amount equivalent to such difference will be applied to the Consideration II.

Condition Precedent: The obligation of the Vendor and Mr. Wong to complete the sale and purchase of the Sale Shares II and the Sale Loan II at Closing is conditional upon the Company having complied with all applicable requirements under the Listing Rules in relation to the SPA II and the Shareholders' Agreement and the transactions contemplated thereunder (the "**Condition Precedent**").

The Condition Precedent is required to be fulfilled on or before the Longstop Date. If any of the Condition Precedent has not been fulfilled on or before the Longstop Date, the SPA II will terminate automatically and no party to SPA II shall have any claims against the other party, save in respect of any antecedent breaches of the SPA II.

Counter-guarantee: Mr. Wong shall provide a deed of counter-guarantee to the Company in respect of the Original Guarantee, provided that the liability of Mr. Wong under the deed of counter-guarantee shall not exceed 5% of the total liabilities of the Company under the Original Guarantee. Mr. Wong further agrees that in the event the Vendor (or any of the Affiliates) is required to provide any other guarantee or similar security to any lender(s) in relation to any loan facilities to the Target Group and/or any of its subsidiaries, Mr. Wong shall provide a further counter-guarantee to the Vendor (or the relevant Affiliates) pro-rata to his shareholding percentage in the Target Company.

Closing: Subject to the satisfaction of the Condition Precedent set out above and the terms and conditions of the SPA II, Closing shall take place on the Closing Date.

In the event that a party to the SPA II shall fail to perform its or his obligation as required upon Closing under the provisions of the SPA II, without prejudice to any other right or remedy available to the other party, the non-defaulting party may:

- (a) defer Closing to a day not more than fourteen (14) days after the Closing Date; or
- (b) proceed to Closing so far as practicable (but without prejudice to the non-defaulting party's right); or
- (c) terminate the SPA II without liability on its or his part.

SHAREHOLDERS' AGREEMENT

On Closing, the Shareholders' Agreement will be entered into among the Vendor, Ms. Wong and Mr. Wong to govern the conduct of affairs of the Target Group and manage the Properties.

The principal terms of the Shareholders' Agreement are set out below:

Funding and guarantee

In the event that the Target Company requires further funding, Ms. Wong and Mr. Wong shall be required to contribute funding pro-rata to their shareholding percentage of the Target Company. If Ms. Wong and/or Mr. Wong do/does not wish to contribute such funding after it has been resolved by the board of the Target Company, the Target Company may raise funds in whatever manner it deems fit.

In the event that the Vendor (or any of its Affiliates) is required to provide any guarantee or similar security to any lender(s) in relation to any loan facilities to the Target Group, Ms. Wong and Mr. Wong shall provide a counter-guarantee to the Vendor (or its relevant Affiliates) pro-rata to their shareholding percentage of the Target Company.

Restrictions on transfers

Ms. Wong and Mr. Wong will not have the right to transfer any of his or her rights in the Sale Shares and Sale Loans to any party other than to the Vendor (or any of its Affiliates).

Tag-along rights

In the event that the Vendor proposes to transfer all or part of its equity interest in the Target Company together with the outstanding shareholder loan of the Target Company to a potential purchaser, unless a drag-along notice is given by the Vendor, Ms. Wong and Mr. Wong shall have the right to be included in such proposed disposal on substantially the same terms as the Vendor to sell all his/her/their equity interest in the Target Company together with the outstanding shareholder loan of the Target Company.

Drag-along rights

In the event that the Vendor proposes to transfer all or part of its equity interest in the Target Company together with the outstanding shareholder loan of the Target Company to a potential purchaser, the Vendor, shall the have the right to require Ms. Wong and/or Mr. Wong to sell all his/her/their equity interest in the Target Company together with the outstanding shareholder loan of the Target Company on substantially the same terms.

Option

The Vendor has the sole discretion to purchase the Sale Shares I and Sale Loan I from Ms. Wong and/or Sale Shares II and Sale Loan II from Mr. Wong in accordance with the terms of the Shareholders' Agreement upon (i) a notice of termination having been served by the Company (or any of its subsidiaries) on Ms. Wong or Mr. Wong; or (ii) a notice of termination having been served by Ms. Wong or Mr. Wong on the Company (or any of its subsidiaries) pursuant to the relevant service agreement between the Company (or any of its subsidiaries) and each of Ms. Wong and Mr. Wong.

The Company shall comply with all applicable requirements of the Listing Rules as and when appropriate upon the exercise of the option.

Termination

The Shareholders' Agreement shall continue in full force and effect until and upon the occurrence of any of the following events: (i) all of the entire issued share capital of the Target Company is owned by one party to the Shareholders' Agreement; (ii) the Target Company is being wound up or otherwise ceasing to exist as a separate corporate legal entity; or (iii) by agreement in writing between the parties to the Shareholders' Agreement.

INFORMATION ABOUT THE PARTIES TO THE SALE AND PURCHASE AGREEMENTS

The Vendor, a wholly-owned subsidiary of the Company, is a limited liability company established under the laws of the British Virgin Islands. It is principally engaged in investment holdings. As at the date of this announcement, the Vendor held 100% of the issued shares in the Target Company.

The Target Company is primarily engaged in investment holding and is an indirect wholly-owned subsidiary of the Company. The principal assets held by the Target Group are the Properties.

The principal activities of the Group are provision of property agency services in respect of commercial and industrial properties and shops, and property investment in Hong Kong.

Ms. Wong is currently an executive Director and a connected person of the Company. Mr. Wong is an executive Director of Midland Holdings. Mr. Wong is a consultant of the Company but not a connected person for the Company under the Listing Rules.

FINANCIAL INFORMATION OF THE TARGET GROUP

The Target Company was incorporated for the purpose of investment holding in relation to the Group's recent acquisition of the Properties from independent third parties (the "**Acquisition**"), details of which had been set out in the circular of the Company dated 23 January 2018 (the "**Acquisition Circular**"). The Acquisition was completed on 16 March 2018 at a total consideration of approximately HK\$207.7 million, including the costs incidental to the Acquisition and the adjustment made as prescribed in the Acquisition Circular.

Set out below are the consolidated profit or loss before and after tax of the Target Group for the period from 16 March 2018 to 31 March 2018 and the consolidated net assets attributable to the shareholder of the Target Company as at 31 March 2018:

	For the period from 16 March 2018 to 31 March 2018 (HK\$'000)
Consolidated profit before tax	197
Consolidated profit after tax	171
	As at 31 March 2018 (HK\$'000)
Consolidated net assets attributable to shareholder of the Target Company	172

As mentioned in the Acquisition Circular, the Group acquired (i) 6th and 8th floors of the Properties indirectly through the acquisitions of the two property holding companies, namely Champion Shine International Limited and Dragon Magic Investments Limited; and (ii) 5th, 7th and 12th floors and three car parking spaces of the Properties (the "**Relevant Properties**") directly by way of sale and purchase of properties.

Set out below are the profit or loss before and after tax of Champion Shine International Limited and Dragon Magic Investments Limited for the two years ended 31 March 2017 and 2018:

Champion Shine International Limited

	For the year ended 31 March	
	2018	2017
	(HK\$'000)	(HK\$'000)
Profit before tax	2,684	5,866
Profit after tax	2,509	5,847

Dragon Magic Investments Limited

	For the year ended 31 March	
	2018	2017
	(HK\$'000)	(HK\$'000)
Profit before tax	1,997	5,095
Profit after tax	1,997	5,095

The Acquisition was completed on 16 March 2018 and as the Relevant Properties were acquired by way of sale and purchase of properties, the Group did not have full access to the underlying books and records of Relevant Properties in relation to the period on or before the date of completion for the Acquisition. Accordingly, it would not be possible for the Company to properly compile a profit and loss statement on the identifiable income stream in relation to the Relevant Properties. As such, the unaudited financial information of the Relevant Properties for the two years ended 31 March 2017 and 2018 are compiled based on the subsisting tenancy agreements of the Relevant Properties (the “**Subsisting Tenancies**”) obtained by the Group from the respective sellers of the Relevant Properties.

Set out below is the summary of principal terms of the Subsisting Tenancies:

	Term	Monthly rental (HK\$)	Option to renew
5th floor	1 March 2017 to 28 February 2020	105,000	Option to renew for 3 years
7th floor (Notes 1 and 2)			
Tenancy A	1 June 2016 to 31 May 2018	34,000	Option to renew for 2 years
Tenancy B	1 March 2016 to 31 May 2018	25,000	Option to renew for 2 years
Tenancy C	1 August 2016 to 31 May 2018	56,000	Option to renew for 2 years
12th floor (Note 2)	1 June 2016 to 31 May 2018	101,000	Option to renew for 2 years
Three car parking spaces	16 March 2018 to 15 March 2020	12,000	N/A

Notes:

1. 7th floor has been divided into three different units which have been let to the same tenant.
2. Tenants of 7th and 12th floor had exercised their respective option to renew the relevant Subsisting Tenancies for a further term of two years till 31 May 2020 with the respective monthly rental fee increased by 15% and no option to further renew the relevant tenancies were granted.

Pursuant to the Subsisting Tenancies, the tenants are responsible for electricity, telephone, water and other similar charges in respect of the Relevant Properties while the landlords are responsible for building management fee, government rent and rates.

Based on (i) the information of rateable value of the Relevant Properties for the year of assessment 2017-18 obtained from the Rating and Valuation Department; and (ii) the information of building management fee per square feet of LMK Development Estate and the saleable area of the respective Relevant Properties, the Directors have estimated the annual outgoings of the Relevant Properties as follows:

	Building management fee		Government rent and rates	
	For the year ended 31 March		For the year ended 31 March	
	2018	2017	2018	2017
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
5th floor	84	78	63	63
7th floor	84	78	63	63
12th floor	84	78	63	63
Three car parking spaces	5	5	8	8

Upon Closing, the Target Company will be owned as to 90.0%, 5.0% and 5.0% by the Vendor, Ms. Wong and Mr. Wong respectively. The Target Company will continue to be a subsidiary of the Vendor.

REASONS FOR AND BENEFITS OF THE DISPOSAL

In March 2018, the Company completed the acquisition of five floors and three car parking spaces of LMK Development Estate. As Ms. Wong and Mr. Wong will be responsible for the operation and management of the Properties, in order to provide an incentive and to align their interests with that of the Target Company, both Ms. Wong and Mr. Wong have been provided with the opportunity to participate in the investment in the Target Company subject to the terms and conditions of the Sale and Purchase Agreements and the Shareholders' Agreement.

As the Disposal will not result in a loss of the Company's control over the Target Company, the Disposal will be accounted for as equity transaction and will not result in the recognition of gain or loss in the income statement.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreements and the Shareholders' Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Save for Ms. Wong and Ms. Tang Mei Lai, Metty (being the mother of Ms. Wong), none of the other Directors have a material interest in the SPA I and the Shareholders' Agreement, nor are the other Directors required to abstain from voting on the relevant board resolution approving the SPA I and the Shareholders' Agreement.

None of the Directors have a material interest in the SPA II, nor are the Directors required to abstain from voting on the relevant board resolution approving SPA II.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Ms. Wong is an executive Director of the Company and hence she is a connected person of the Company. Accordingly, the SPA I together with the Shareholders' Agreement constitute a connected transaction of the Company. Mr. Wong is a consultant of the Company but not a connected person of the Company under the Listing Rules.

Since the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) exceeds 0.1% but falls below 5%, the entering into of the SPA I and the Shareholders' Agreement are subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

As Closing is subject to the satisfaction and/or waiver, where applicable, of the Condition Precedent set out in the Sale and Purchase Agreements, the Disposal may or may not proceed to Closing. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares or any securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings set out below:

“Adjustment”	the adjustment to the Consideration I and the Consideration II, details of which is set out in each of the sub-sections headed “Adjustment” in this announcement
“Affiliates”	any subsidiary or holding company of the Vendor, any subsidiary of such holding company, and the terms “holding company” and “subsidiary” shall have the meaning ascribed to it under the Listing Rules
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which commercial banks are generally open for business in Hong Kong
“Closing”	completion of the sale and purchase of the Sale Shares and the Sale Loans in accordance with the terms and conditions of the Sale and Purchase Agreements
“Closing Date”	the fifth (5) Business Day following the satisfaction (and/or waiver pursuant to the relevant Sale and Purchase Agreement) of the Condition Precedent (or such other date as mutually agreed by the relevant parties in writing on which Closing is to take place)
“Company”	Midland IC&I Limited, a company incorporated under the laws of the Cayman Islands with limited liability, and the Shares of which are listed and traded on the Main Board of the Stock Exchange (stock code: 459)
“Condition Precedent”	the respective condition precedent to Closing as set out in the sub-section headed “The SPA I – Condition Precedent” and the sub-section headed “The SPA II – Condition Precedent” in this announcement and each a “Condition Precedent”
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consideration I”	has the meaning ascribed to it in the sub-section headed “The SPA I – Consideration” in this announcement
“Consideration II”	has the meaning ascribed to it in the sub-section headed “The SPA II – Consideration” in this announcement
“Director(s)”	the directors(s) of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Loans pursuant to the Sale and Purchase Agreements
“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 PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LMK Development Estate”	the development erected on ALL THAT piece or parcel of ground registered in the Land Registry as KWAI CHUNG TOWN LOT NO.139 and known as “LMK DEVELOPMENT ESTATE”, Nos.10/16 Kwai Ting Road, Kwai Chung, New Territories, Hong Kong
“Longstop Date”	30 September 2018 or such later date as the Vendor may agree with Ms. Wong or Mr. Wong (as the case may be) in writing
“Midland Holdings”	Midland Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code:1200) and a controlling Shareholder
“Mr. Wong”	Wong Tsz Wa, Pierre
“Ms. Wong”	Wong Ching Yi, Angela, an executive Director
“Original Guarantee”	the existing guarantee executed by the Company in relation to the loan facilities to the Target Company and/or any of its subsidiaries.
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Properties”	the 5th, 6th, 7th, 8th and 12th floors and car parking space nos. 12, 13 and 14 on the ground floor of LMK Development Estate

“Relevant Properties”	has the meaning ascribed to it under the section headed “Financial Information of the Target Group” in this announcement
“Sale and Purchase Agreements”	together, SPA I and SPA II, and “Sale and Purchase Agreement” shall be construed to mean either one of them
“Sale Loan I”	the right to 5% of the debts owed by the Target Company and/or any of its subsidiaries to the Vendor as at Closing
“Sale Loan II”	the right to 5% of the debts owed by the Target Company and/or any its subsidiaries to the Vendor as at Closing
“Sale Loans”	together, the Sale Loan I and the Sale Loan II
“Sale Shares”	together, the Sale Shares I and the Sale Shares II
“Sale Shares I”	5 ordinary shares of US\$1 each in the Target Company (representing 5% of the equity interest in the Target Company), legally and beneficially owned by the Vendor and to be acquired by Ms. Wong in accordance with the terms and conditions of the SPA I
“Sale Shares II”	5 ordinary shares of US\$1 each in the Target Company (representing 5% of the equity interest in the Target Company), legally and beneficially owned by the Vendor and to be acquired by Mr. Wong in accordance with the terms and conditions of the SPA II
“Share(s)”	the ordinary share(s) with par value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into among the Vendor, Ms. Wong and Mr. Wong upon Closing
“SPA I”	the sale and purchase agreement dated 21 September 2018 entered into between the Vendor and Ms. Wong, relating to the Sale Shares I and Sale Loan I
“SPA II”	the sale and purchase agreement dated 21 September 2018 entered into between the Vendor and Mr. Wong, relating to the Sale Shares II and Sale Loan II
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“Target Company”	Powerful Surge Group Limited (力濤集團有限公司), a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Vendor and also an indirect wholly-owned subsidiary of the Company
“Target Group”	the Target Company and its subsidiaries from time to time
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Ruby Hill Ventures Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“%”	per cent.

By order of the Board
Midland IC&I Limited
WONG Hon Shing, Daniel
Chief Executive Officer and Executive Director

Hong Kong, 21 September 2018

As at the date of this announcement, the Board comprises eight Directors, of which three are executive Directors, namely Ms. TANG Mei Lai, Metty, Ms. WONG Ching Yi, Angela and Mr. WONG Hon Shing, Daniel; two are non-executive Directors, namely Mr. KAN Chung Nin, Tony and Mr. TSANG Link Carl, Brian (with Mr. CHU Kuo Fai, Gordon as his alternate); and three are independent non-executive Directors, namely Mr. YING Wing Cheung, William, Mr. SHA Pau, Eric and Mr. HO Kwan Tat, Ted