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## **DISCLOSEABLE TRANSACTION PROVISION OF MORTGAGE LOAN**

### **PROVISION OF MORTGAGE LOAN**

On 29 July 2021, Legend Credit, an indirect wholly-owned subsidiary of the Company, entered into the Mortgage Loan Agreement with the Borrower and the Mortgagor, pursuant to which, Legend Credit agreed to lend to the Borrower the Loan in the principal amount of HK\$18,000,000 at an effective interest rate of 10% per annum.

### **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan exceeds 5% but is less than 25%, the grant of the Loan constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **BACKGROUND**

On 29 July 2021, Legend Credit, an indirect wholly-owned subsidiary of the Company, entered into the Mortgage Loan Agreement with the Borrower and the Mortgagor, pursuant to which, Legend Credit agreed to lend to the Borrower the Loan in the principal amount of HK\$18,000,000 at an effective interest rate of 10% per annum.

*\* For identification purpose only*

## PRINCIPAL TERMS OF THE MORTGAGE LOAN AGREEMENT

The principal terms of the Mortgage Loan Agreement are summarized as below:

Date	:	29 July 2021
Lender	:	Legend Credit, an indirect wholly-owned subsidiary of the Company
Borrower	:	Mr. TSUI Ki Wai, an Independent Third Party
Mortgagor	:	the Borrower
Loan	:	in the principal amount of HK\$18,000,000
Effective interest rate	:	10% per annum
Drawdown date	:	30 July 2021
Maturity date	:	30 July 2022
Repayment term	:	The Loan shall be repaid in 12 successive monthly instalments.
Repayment date	:	The date in each calendar month (subsequent to the calendar month of drawdown) that numerically corresponds to the drawdown date, or (if there is no such date in a calendar month) the last day of the calendar month. If any repayment date falls on a Saturday, Sunday or public holiday, payment shall be made on the next business day.
Early repayment	:	The Borrower may repay the principal amount of the Loan and all accrued interest in full or partially ahead of the maturity date of the Loan by giving prior written notice to Legend Credit.
Early repayment fee	:	The Borrower shall pay a sum equivalent to 1% of the prepaid amount as an early repayment fee to Legend Credit if full or partial prepayment is made by the Borrower before the due date of the 6th instalment, which is 30 January 2022 pursuant to the Mortgage Loan Agreement.
Default rate	:	10% per annum on a day-to-day basis on any sum which is not paid when due.
Security	:	A first legal charge to be created by the Mortgagor under the Mortgage in respect of two properties located in Hong Kong with an aggregated valuation of approximately HK\$33,000,000 conducted by an independent property valuer on 26 July 2021 engaged by the Company.

## **REASONS FOR AND THE BENEFIT OF THE MORTGAGE LOAN AGREEMENT**

The provision of the Loan was a transaction carried out as part of the ordinary and usual course of business activities of the Group. The terms of the Mortgage Loan Agreement (including but not limited to the interest rate) were arrived at by the parties after arm's length negotiations, with reference to the prevailing commercial practice, the securities provided and the amount of the Loan. The Loan will be funded by internal resources of the Group.

The grant of the Loan was made based on the Company's credit assessments on the financial strength and repayment ability of the Borrower and the relevant securities provided by the Borrower. After taking into account the factors mentioned above, the Company considers that the credit risks of granting the Loan to the Borrower are relatively low. The grant of the Loan will provide additional interest income to the Group.

The Directors consider that the terms of the Mortgage Loan Agreement are on normal commercial terms and are fair and reasonable and the entering into of the Mortgage Loan Agreement is in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan exceeds 5% but is less than 25%, the grant of the Loan constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **GENERAL INFORMATION**

### **Information on the Group and Legend Credit**

The Company is an investment holding company and the principal business activities of the Group are provision of property agency services in respect of commercial and industrial properties and shops, properties investment, credit business and securities investment in Hong Kong.

Legend Credit, an indirect wholly-owned subsidiary of the Company, is a limited liability company incorporated under the laws of Hong Kong and is a licensed money lender under the Money Lenders Ordinance and its principal business is money lending.

### **Information on the Borrower and the Mortgagor**

The Borrower, being the same person as the Mortgagor, is an individual and the sole legal and beneficial owner of the properties mortgaged to Legend Credit under the Mortgage as securities of the Loan.

To the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Borrower, being the same person as the Mortgagor, is an Independent Third Party.

## DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Borrower”	Mr. TSUI Ki Wai, the Borrower under the Mortgage Loan Agreement who is an Independent Third Party
“Company”	Midland IC&I Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 459)
“Directors”	the directors 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 PRC
“Independent Third Party”	a person or a company which is third party independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Legend Credit”	Legend Credit Limited, a limited liability company incorporated under the laws of Hong Kong and is a licensed money lender under the Money Lenders Ordinance (Money Lender’s Licence No. 0197/2021)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the mortgage loan in the principal amount of HK\$18,000,000 granted by Legend Credit to the Borrower pursuant to the Mortgage Loan Agreement
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
“Mortgage”	the mortgage to be created by the Mortgagor in favour of Legend Credit over the properties to secure the obligations of the Borrower under the Mortgage Loan Agreement
“Mortgage Loan Agreement”	the mortgage loan agreement dated 29 July 2021 entered into among Legend Credit, the Borrower and the Mortgagor
“Mortgagor”	the Borrower, the mortgagor under the Mortgage Loan Agreement, being the sole legal and beneficial owner of the properties secured under the Mortgage

“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board  
**Midland IC&I Limited**  
**MUI Ngar May, Joel**  
*Company Secretary*

Hong Kong, 29 July 2021

*As at the date of this announcement, the Board comprises six Directors, of which three are Executive Directors, namely Mr. WONG Kin Yip, Freddie, Ms. WONG Ching Yi, Angela and Mr. LO Chin Ho, Tony; and three are Independent Non-Executive Directors, namely Mr. SHA Pau, Eric, Mr. HO Kwan Tat, Ted and Mr. WONG Chung Kwong.*