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DISCLOSEABLE TRANSACTIONS PROVISION OF MORTGAGE LOANS

PROVISION OF MORTGAGE LOANS

On 28 October 2021, Legend Credit entered into the Mortgage Loan Agreement A with Borrowers A and Mortgagors A, pursuant to which, Legend Credit agreed to lend to Borrowers A the First Loan in the principal amount of HK\$11,800,000 at an effective interest rate of 9% per annum.

On 19 November 2021, Legend Credit entered into the Mortgage Loan Agreement B with Borrowers B and Mortgagor B, pursuant to which, Legend Credit agreed to lend to Borrowers B the Second Loan in the principal amount of HK\$5,600,000 at an effective interest rate of 9% per annum.

LISTING RULES IMPLICATIONS

The aggregate principal amount of the Loans as at the date of this announcement is HK\$17,400,000. Since members of Borrowers A and Borrowers B are the same and/or related parties, and the First Loan and the Second Loan are granted within a 12-month period, the grant of the Loans is required to be aggregated under Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of (i) each of the Loans on a standalone basis is below 5% and (ii) the Loans on an aggregate basis exceeds 5% and is less than 25%, the grant of the Loans on an aggregate basis constitutes discloseable transactions of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

On 28 October 2021, Legend Credit entered into the Mortgage Loan Agreement A with Borrowers A and Mortgagors A, pursuant to which, Legend Credit agreed to lend to Borrowers A the First Loan in the principal amount of HK\$11,800,000 at an effective interest rate of 9% per annum.

On 19 November 2021, Legend Credit entered into the Mortgage Loan Agreement B with Borrowers B and Mortgagor B, pursuant to which, Legend Credit agreed to lend to Borrowers B the Second Loan in the principal amount of HK\$5,600,000 at an effective interest rate of 9% per annum.

PRINCIPAL TERMS OF THE LOAN AGREEMENTS

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

Date	:	28 October 2021
Lender	:	Legend Credit
Borrower(s)	:	Borrowers A
Mortgagor(s)	:	Mortgagors A
Loan	:	in the principal amount of HK\$11,800,000
Effective interest rate	:	9% per annum (calculated based on 20% per annum for the first month after the date of drawdown and 8% per annum for the subsequent months)
Drawdown date	:	28 October 2021
Maturity date	:	28 October 2022
Repayment term	:	The First Loan shall be repaid in 12 successive monthly instalments. Borrowers A shall repay the interests on a monthly basis and repay the principal amount at loan maturity.
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	:	Borrowers A may repay the principal amount of the First Loan and all accrued interest in full or partially ahead of the maturity date of the First Loan by giving prior written notice to Legend Credit.
Default rate	:	9% per annum on a day-to-day basis on any sum which is not paid when due.
Security	:	A first legal charge and rental assignment created by Mortgagors A under the First Mortgage in respect of three properties located in Hong Kong with an aggregate valuation of approximately HK\$19,700,000 conducted by an independent property valuer on 4 October 2021 engaged by the Company.

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

Date	:	19 November 2021
Lender	:	Legend Credit
Borrower(s)	:	Borrowers B
Mortgagor(s)	:	Mortgagor B
Loan	:	in the principal amount of HK\$5,600,000
Effective interest rate	:	9% per annum (calculated based on 20% per annum for the first month after the date of drawdown and 8% per annum for the subsequent months)
Drawdown date	:	22 November 2021
Maturity date	:	22 November 2022
Repayment term	:	The Second Loan shall be repaid in 12 successive monthly instalments. Borrowers B shall repay the interests on a monthly basis and repay the principal amount at loan maturity.
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	:	Borrowers B may repay the principal amount of the Second Loan and all accrued interest in full or partially ahead of the maturity date of the Second Loan by giving prior written notice to Legend Credit.
Default rate	:	9% 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 Mortgagor B under the Second Mortgage in respect of a property located in Hong Kong with a valuation of approximately HK\$8,100,000 conducted by an independent property valuer on 20 October 2021 engaged by the Company.

REASONS FOR AND THE BENEFIT OF THE LOAN AGREEMENTS

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

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

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

LISTING RULES IMPLICATIONS

The aggregate principal amount of the Loans as at the date of this announcement is HK\$17,400,000. Since members of Borrowers A and Borrowers B are the same and/or related parties, and the First Loan and the Second Loan are granted within a 12-month period, the grant of the Loans is required to be aggregated under Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of (i) each of the Loans on a standalone basis is below 5% and (ii) the Loans on an aggregate basis exceeds 5% and is less than 25%, the grant of the Loans on an aggregate basis constitutes discloseable transactions 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 Borrowers A and Mortgagors A

Borrowers A and Mortgagors A are the same group of members consisting of (i) two individuals who are of husband and wife relationship and are tenants in common of two properties mortgaged to Legend Credit under the First Mortgage as part of the securities of the First Loan, and (ii) a company incorporated in Hong Kong with limited liability which is principally engaged in investment holding and is the sole legal and beneficial owner of a property mortgaged to Legend Credit under the First Mortgage as part of the securities of the First Loan.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Borrowers A, Mortgagors A and their ultimate beneficial owners are Independent Third Parties.

Information on Borrowers B and Mortgagor B

Members of Borrowers B consist of (i) two individuals who are of husband and wife relationship, and (ii) a company incorporated in Hong Kong with limited liability which is principally engaged in investment holding. Mortgagor B is the sole legal and beneficial owner of the property to be mortgaged to Legend Credit under the Second Mortgage as security of the Second Loan.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Borrowers B, Mortgagor B and their ultimate beneficial owners are Independent Third Parties.

DEFINITIONS

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

“Board”	the board of Directors
“Borrowers A”	Mr. LAM, Ms. CHUNG and GIDL, the borrowers under the Mortgage Loan Agreement A, all of whom are Independent Third Parties
“Borrowers B”	Mr. LAM, Ms. CHUNG and HKTHL, the borrowers under the Mortgage Loan Agreement B, all of whom are Independent Third Parties
“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
“First Loan”	the mortgage loan in the principal amount of HK\$11,800,000 granted by Legend Credit to Borrowers A pursuant to the Mortgage Loan Agreement A

“First Mortgage”	the mortgage created by Mortgagors A in favour of Legend Credit over the properties to secure the obligations of Borrowers A under the Mortgage Loan Agreement A
“GIDL”	Goldfit Investment Development Limited, a company incorporated in Hong Kong with limited liability, its sole ultimate beneficial owner is Ms. CHUNG
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKTHL”	Hong Kong Tour Hotel Limited, a company incorporated in Hong Kong with limited liability, its ultimate beneficial owners are Mr. LAM and Ms. CHUNG
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) which is/are third party(ies) 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, is an indirect wholly-owned subsidiary of the Company and 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 Agreements”	the Mortgage Loan Agreement A and the Mortgage Loan Agreement B
“Loans”	the First Loan and the Second Loan
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
“Mortgage Loan Agreement A”	the mortgage loan agreement dated 28 October 2021 entered into among Legend Credit, Borrowers A and Mortgagors A
“Mortgage Loan Agreement B”	the mortgage loan agreement dated 19 November 2021 entered into among Legend Credit, Borrowers B and Mortgagor B
“Mortgagors A”	Borrowers A, the mortgagors under the Mortgage Loan Agreement A

“Mortgagor B”	HKTHL, the mortgagor under the Mortgage Loan Agreement B
“Mr. LAM”	Mr. LAM Wing Wai
“Ms. CHUNG”	Ms. CHUNG Moon Mee Iris
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Second Loan”	the mortgage loan in the principal amount of HK\$5,600,000 granted by Legend Credit to Borrowers B pursuant to the Mortgage Loan Agreement B
“Second Mortgage”	the mortgage to be created by Mortgagor B in favour of Legend Credit over the property to secure the obligations of Borrowers B under the Mortgage Loan Agreement B
“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, 19 November 2021

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