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DISCLOSEABLE TRANSACTION PROVISION OF MORTGAGE LOAN

PROVISION OF MORTGAGE LOAN

On 22 November 2021, Legend Credit, an indirect wholly-owned subsidiary of the Company, entered into the Mortgage Loan Agreement with the Borrower, the Mortgagor and the Guarantor, pursuant to which, Legend Credit agreed to lend to the Borrower the Loan in the principal amount of HK\$16,931,200 at an effective interest rate of 9.5% 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% and 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 22 November 2021, Legend Credit, an indirect wholly-owned subsidiary of the Company, entered into the Mortgage Loan Agreement with the Borrower, the Mortgagor and the Guarantor, pursuant to which, Legend Credit agreed to lend to the Borrower the Loan in the principal amount of HK\$16,931,200 at an effective interest rate of 9.5% per annum.

PRINCIPAL TERMS OF THE MORTGAGE LOAN AGREEMENT

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

Date	:	22 November 2021
Lender	:	Legend Credit, an indirect wholly-owned subsidiary of the Company
Borrower	:	the Borrower
Mortgagor	:	the Mortgagor
Guarantor	:	the Guarantor
Loan	:	in the principal amount of HK\$16,931,200
Effective interest rate	:	9.5% per annum
Drawdown date	:	23 November 2021
Maturity date	:	23 November 2022
Repayment term	:	The Loan shall be repaid in 12 successive monthly instalments. The Borrower shall repay the interests on a monthly basis with the principal amount to be repaid 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	:	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.
Default rate	:	9.5% 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 aggregate valuation of approximately HK\$21,164,000 conducted by an independent property valuer on 8 November 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 as 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.

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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, the Mortgagor and the Guarantor

The Borrower, who is also the Mortgagor, is an individual and the purchaser of the properties to be mortgaged to Legend Credit under the Mortgage as securities of the Loan.

The Guarantor is an individual who agrees to guarantee the liabilities of the Borrower under the Mortgage Loan Agreement.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Borrower, the Mortgagor and the Guarantor 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
“Borrower”	Ms. CHENG Jie, 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
“Guarantor”	Mr. CUI Yan, the guarantor under the Mortgage Loan Agreement who is an Independent Third Party
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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 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\$16,931,200 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 22 November 2021 entered into among Legend Credit, the Borrower, the Mortgagor and the Guarantor
“Mortgagor”	the Borrower, the mortgagor under the Mortgage Loan Agreement, being the purchaser of the properties to be mortgaged 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, 22 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.