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DISCLOSEABLE TRANSACTION PROVISION OF MORTGAGE LOAN

PROVISION OF MORTGAGE LOAN

On 4 January 2021, Legend Credit, an indirect wholly-owned subsidiary of the Company, entered into the First Agreement with the Borrower, the Mortgagor and the Guarantors, pursuant to which, Legend Credit agreed to lend to the Borrower the First Loan in the principal amount of HK\$7,000,000 at an effective interest rate of 8% per annum.

On 26 August 2021, Legend Credit entered into the First Supplemental Agreement with the Borrower, the Mortgagor and the Guarantors, pursuant to which, Legend Credit agreed to lend to the Borrower the First Additional Loan in the principal amount of HK\$3,000,000 at an effective interest rate of 8% per annum.

On 29 December 2021, Legend Credit entered into the Supplemental Agreement A and Supplemental Agreement B with the Borrower, the Mortgagor and the Guarantors, pursuant to which, Legend Credit agreed to extend the repayment dates for the First Loan and the First Additional Loan to 5 January 2023 and 27 January 2023, respectively.

On 21 January 2022, Legend Credit entered into the Second Supplemental Agreement with the Borrower, the Mortgagor and the Guarantors, pursuant to which, Legend Credit agreed to lend to the Borrower the Second Additional Loan in the principal amount of HK\$3,000,000 at an effective interest rate of 8% per annum.

LISTING RULES IMPLICATIONS

The aggregate principal amount of the Loans as at the date of this announcement is HK\$13,000,000. 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 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 4 January 2021, Legend Credit, an indirect wholly-owned subsidiary of the Company, entered into the First Agreement with the Borrower, the Mortgagor and the Guarantors, pursuant to which, Legend Credit agreed to lend to the Borrower the First Loan in the principal amount of HK\$7,000,000 at an effective interest rate of 8% per annum.

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On 21 January 2022, Legend Credit entered into the Second Supplemental Agreement with the Borrower, the Mortgagor and the Guarantors, pursuant to which, Legend Credit agreed to lend to the Borrower the Second Additional Loan in the principal amount of HK\$3,000,000 at an effective interest rate of 8% per annum.

PRINCIPAL TERMS OF THE LOAN AGREEMENTS

The principal terms of the Loan Agreements are summarised as below:

	Second Supplemental Agreement	(i) First Supplemental Agreement (ii) Supplemental Agreement B	(i) First Agreement (ii) Supplemental Agreement A
Date:	21 January 2022	(i) 26 August 2021 (ii) 29 December 2021	(i) 4 January 2021 (ii) 29 December 2021

Lender:	Legend Credit, an indirect wholly-owned subsidiary of the Company		
Borrower:	the Borrower		
Mortgagor:	the Mortgagor		
Guarantor:	the Guarantors		
Loan:	Second Additional Loan in the principal amount of HK\$3,000,000	First Additional Loan in the principal amount of HK\$3,000,000	First Loan in the principal amount of HK\$7,000,000
Effective interest rate:	8% per annum		
Drawdown date:	21 January 2022	27 August 2021	5 January 2021
Maturity date:	21 January 2023	27 January 2023	5 January 2023
Repayment term:	The Second Additional Loan shall be repaid in 12 successive monthly instalments.	The clause “repayment term” as set out in the First Supplemental Agreement has been deleted and replaced under the Supplemental Agreement B such that the First Additional Loan shall be repaid in 17 successive monthly instalments, instead of 5 successive monthly instalments.	The clause “repayment term” as set out in the First Agreement has been deleted and replaced under the Supplemental Agreement A such that the First Loan shall be repaid in 24 successive monthly instalments, instead of 12 successive monthly instalments.

The Borrower shall repay the interests on a monthly basis with the respective principal amounts 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 First Loan and/or the First Additional Loan and/or the Second Additional Loan (as the case maybe) and all accrued interest in full or partially ahead of the maturity date of the First Loan and/or the First Additional Loan and/or the Second Additional Loan (as the case maybe) by giving prior written notice to Legend Credit.
Default rate:	8% per annum on a day-to-day basis on any sum which is not paid when due.
Security:	A first legal charge created by the Mortgagor under the First Mortgage and the Second Mortgage in respect of two properties located in Hong Kong with an aggregate valuation of approximately HK\$24,000,000 conducted by an independent property valuer on 5 January 2022 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 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 are 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 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 for granting the Loans to the Borrower 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 are 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\$13,000,000. 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 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, the Mortgagor and the Guarantors

The Borrower, which is also the Mortgagor, is a company incorporated in the British Virgin Islands with limited liability which is beneficially wholly owned by the Guarantors. It is principally engaged in property holding and is the sole legal and beneficial owner of the properties mortgaged to Legend Credit under the First Mortgage and the Second Mortgage as securities of the Loans. The Guarantors are two individuals who agree to guarantee the liabilities of the Borrower under the Loan Agreements.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Borrower, the Mortgagor, the Guarantors 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
“Borrower”	Gain Host Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, the borrower under the Loan Agreements which 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
“First Additional Loan”	the additional mortgage loan in the principal amount of HK\$3,000,000 granted by Legend Credit to the Borrower pursuant to the First Supplemental Agreement and as amended and supplemented by the Supplemental Agreement B

“First Agreement”	the mortgage loan agreement dated 4 January 2021 entered into among Legend Credit, the Borrower, the Mortgagor and the Guarantors
“First Loan”	the mortgage loan in the principal amount of HK\$7,000,000 granted by Legend Credit to the Borrower pursuant to the First Agreement and as amended and supplemented by the Supplemental Agreement A
“First Mortgage”	the mortgage created by the Mortgagor in favour of Legend Credit over the properties to secure the obligations of the Borrower under the First Agreement
“First Supplemental Agreement”	the supplemental agreement for additional mortgage loan dated 26 August 2021 entered into among Legend Credit, the Borrower, the Mortgagor and the Guarantors
“Group”	the Company and its subsidiaries
“Guarantors”	Ms. JEN Cheng Ling and Ms. WONG Lih Ti, the guarantors under the Loan Agreements who are Independent Third Parties
“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 Agreements”	collectively, the First Agreement (as amended and supplemented by the Supplemental Agreement A), the First Supplemental Agreement (as amended and supplemented by the Supplemental Agreement B) and the Second Supplemental Agreement
“Loans”	collectively, the First Loan, the First Additional Loan and the Second Additional Loan
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)

“Mortgagor”	the Borrower, the mortgagor under the Loan Agreements
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Second Additional Loan”	the additional mortgage loan in the principal amount of HK\$3,000,000 granted by Legend Credit to the Borrower pursuant to the Second Supplemental Agreement
“Second Mortgage”	the mortgage created by the Mortgagor in favour of Legend Credit over the properties to secure the obligations of the Borrower under the First Supplemental Agreement and the Second Supplemental Agreement
“Second Supplemental Agreement”	the supplemental agreement for additional mortgage loan dated 21 January 2022 entered into among Legend Credit, the Borrower, the Mortgagor and the Guarantors
“Supplemental Agreement A”	the supplemental agreement relating to the First Agreement dated 29 December 2021 entered into among Legend Credit, the Borrower, the Mortgagor and the Guarantors
“Supplemental Agreement B”	the supplemental agreement relating to the First Supplemental Agreement dated 29 December 2021 entered into among Legend Credit, the Borrower, the Mortgagor and the Guarantors
“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, 21 January 2022

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.