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

### **PROVISION OF MORTGAGE LOAN**

On 9 April 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\$9,220,000 at an effective interest rate of 10% per annum for a repayment term of 12 months.

On 8 April 2022, Legend Credit entered into the Supplemental Agreement with the Borrower and the Mortgagor, pursuant to which, Legend Credit agreed to extend the repayment term of the Loan to 24 months.

### **LISTING RULES IMPLICATIONS**

As each of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan on the date the Mortgage Loan Agreement was entered into was less than 5%, the grant of the Loan under the Mortgage Loan Agreement did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules at the relevant material time.

As the repayment term of the Loan has been extended to 24 months by the entering into of the Supplemental Agreement, this constitutes material variation of terms under the Mortgage Loan Agreement, and the Company shall re-comply with the relevant Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan on the date the Supplemental Agreement was entered into exceeds 5% but is less than 25%, the grant of the Loan under the Supplemental Agreement 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 9 April 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\$9,220,000 at an effective interest rate of 10% per annum for a repayment term of 12 months.

On 8 April 2022, Legend Credit entered into the Supplemental Agreement with the Borrower and the Mortgagor, pursuant to which, Legend Credit agreed to extend the repayment term of the Loan to 24 months.

## **PRINCIPAL TERMS OF THE LOAN AGREEMENTS**

### **Mortgage Loan Agreement**

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

Date	:	9 April 2021
Lender	:	Legend Credit, an indirect wholly-owned subsidiary of the Company
Borrower	:	the Borrower
Mortgagor	:	the Mortgagor
Loan	:	in the principal amount of HK\$9,220,000
Effective interest rate	:	10% per annum
Drawdown date	:	14 April 2021
Maturity date	:	14 April 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	:	10% per annum on a day-to-day basis on any sum which is not paid when due.
Security	:	A first legal charge/Mortgage in respect of a residential property and a car parking space located in Yuen Long, Hong Kong with an aggregate valuation of approximately HK\$14,700,000 conducted by an independent property valuer on 21 March 2022 engaged by the Company.

## **Supplemental Agreement**

On 8 April 2022, the Supplemental Agreement was entered into by Legend Credit, the Borrower and the Mortgagor, pursuant to which the Mortgage Loan Agreement shall be supplemented and amended to the effect that the repayment term of the Loan shall be extended to 24 months.

Save as disclosed above, all other principal terms and conditions of the Mortgage Loan Agreement remain unchanged and in full force and effect.

## **REASONS FOR AND THE BENEFIT OF THE LOAN AGREEMENTS**

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 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 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 securities provided by the Borrower. After having taken 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 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 the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As each of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan on the date the Mortgage Loan Agreement was entered into was less than 5%, the grant of the Loan under the Mortgage Loan Agreement did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules at the relevant material time.

As the repayment term of the Loan has been extended to 24 months by the entering into of the Supplemental Agreement, this constitutes material variation of terms under the Mortgage Loan Agreement, and the Company shall re-comply with the relevant Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan on the date the Supplemental Agreement was entered into exceeds 5% but is less than 25%, the grant of the Loan under the Supplemental Agreement 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, who is also the Mortgagor, is an individual and a merchant who principally engages in the business of trading. The Mortgagor is the sole legal and beneficial owner of the properties mortgaged to Legend Credit as securities of the Loan.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Borrower and 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. FONG Chun Lung, the borrower under the Loan Agreements, being 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(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. 0187/2022) and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the mortgage loan in the principal amount of HK\$9,220,000 granted by Legend Credit to the Borrower pursuant to the Mortgage Loan Agreement (as amended and supplemented by the Supplemental Agreement)
“Loan Agreements”	collectively, the Mortgage Loan Agreement and the Supplemental Agreement
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
“Mortgage”	the mortgage created by the Mortgagor in favour of Legend Credit over the properties to secure the obligations of the Borrower under the Mortgage Loan Agreement (as amended and supplemented by the Supplemental Agreement)
“Mortgage Loan Agreement”	the mortgage loan agreement dated 9 April 2021 entered into among Legend Credit, the Borrower and the Mortgagor
“Mortgagor”	the Borrower, the mortgagor under the Loan Agreements, being the sole legal and beneficial owner of the properties secured under the Mortgage
“PRC”	the People’s Republic of China which, for the sole purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Shareholders”	holders of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement relating to the Mortgage Loan Agreement dated 8 April 2022 entered into among Legend Credit, the Borrower and the Mortgagor

“0%”

per cent.

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

Hong Kong, 8 April 2022

*As at the date of this announcement, the Board comprises eight 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 four are Independent Non-Executive Directors, namely Mr. SHA Pau, Eric, Mr. HO Kwan Tat, Ted, Mr. WONG Chung Kwong and Mr. LI Wai Keung.*