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(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 459)

DISCLOSEABLE TRANSACTION PROVISION OF MORTGAGE LOAN

PROVISION OF MORTGAGE LOAN

On 15 June 2020, Legend Credit, an indirect wholly-owned subsidiary of the Company, entered into the Mortgage Loan Agreement with the Borrowers and the Mortgagors, pursuant to which, Legend Credit agreed to lend to the Borrowers the Loan in the amount of HK\$9,000,000 at an effective interest rate of 11.25% 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 15 June 2020, Legend Credit, an indirect wholly-owned subsidiary of the Company, entered into the Mortgage Loan Agreement with the Borrowers and the Mortgagors, pursuant to which, Legend Credit agreed to lend to the Borrowers the Loan in the amount of HK\$9,000,000 at an effective interest rate of 11.25% 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	:	15 June 2020
Lender	:	Legend Credit, an indirect wholly-owned subsidiary of the Company
Borrowers	:	Borrower A, Borrower B and Borrower C, all being Independent Third Parties
Loan	:	in the principal amount of HK\$9,000,000
Effective interest rate	:	11.25% per annum
Drawdown date	:	15 June 2020
Maturity date	:	15 June 2021
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 Borrowers may repay the principal amount of the Loan and all accrued interest in full ahead of the maturity date of the Loan by giving prior written notice to Legend Credit.
Default rate	:	11.25% per annum on a day to day basis on any sum which is not paid when due.
Security	:	The Mortgagors created a first legal charge under the Mortgage in respect of two properties located in Hong Kong with an aggregate valuation of approximately HK\$15,000,000 conducted by an independent property valuer on 4 June 2020 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 and was introduced to Legend Credit by an Independent Third Party. The terms of the Mortgage Loan Agreement (including the interest rate) were arrived at by the parties after arm's length negotiations, with reference to 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 Borrowers and the relevant securities provided by the Borrowers. After taking into account the factors mentioned above, the Company considers that the credit risks for granting the Loan to the Borrowers 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 are 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 in Hong Kong, properties investment, credit business and securities investment.

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 Borrowers and the Mortgagors

The Borrowers are three individuals. The Mortgagors are Borrower A and Borrower B, being the legal and beneficial owners 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, each of the Borrowers and the Mortgagors 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 A”	Mr. LI Ning Pang, one of the Borrowers under the Mortgage Loan Agreement who is an Independent Third Party, and the spouse of Borrower B and the father of Borrower C
“Borrower B”	Ms. TSOI Wing, one of the Borrowers under the Mortgage Loan Agreement who is an Independent Third Party, and the spouse of Borrower A and the mother of Borrower C
“Borrower C”	Mr. LI Hoi Yan, one of the Borrowers under the Mortgage Loan Agreement who is an Independent Third Party, and the son of Borrower A and Borrower B
“Borrowers”	Borrower A, Borrower B and Borrower C
“Company”	Midland IC&I Limited (Stock Code: 459), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Directors”	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 or company which is/are third parties 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Loan”	the mortgage loan in the principal amount of HK\$9,000,000 granted by Legend Credit to the Borrowers pursuant to the Mortgage Loan Agreement
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
“Mortgage Loan Agreement”	the mortgage loan agreement dated 15 June 2020 entered into between Legend Credit, the Borrowers and the Mortgagors
“Mortgage”	the mortgage dated 15 June 2020 created by the Mortgagors in favour of Legend Credit over the properties to secure the obligations of the Borrowers under the Mortgage Loan Agreement
“Mortgagors”	Borrower A and Borrower B are the mortgagors under the Mortgage Loan Agreement, being the legal and beneficial owners 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, 15 June 2020

As at the date of this announcement, the Board comprises seven Directors, of which three are Executive Directors, namely Mr. WONG Kin Yip, Freddie, Ms. WONG Ching Yi, Angela and Mr. WONG Hon Shing, Daniel; one is Non-Executive Director, namely Mr. TSANG Link Carl, Brian (with Mr. WONG Wai Cheong as his alternate); and three are Independent Non-Executive Directors, namely Mr. YING Wing Cheung, William, Mr. SHA Pau, Eric and Mr. HO Kwan Tat, Ted.