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Wealth Builder Holdings Limited

(Incorporated in the British Virgin Islands with limited liability)



Midland IC&I Limited
美聯工商舖有限公司*

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

JOINT ANNOUNCEMENT

(1) CONDITIONAL MANDATORY CASH OFFER BY GET NICE SECURITIES LIMITED

ON BEHALF OF

**WEALTH BUILDER HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES
IN MIDLAND IC&I LIMITED (OTHER THAN THOSE ALREADY OWNED OR
TO BE ACQUIRED BY THE OFFEROR ACQUIRER GROUP)**

AND

(2) RESUMPTION OF TRADING

Financial adviser to the Offeror



* For identification purpose only

INTRODUCTION

Reference is made to the announcement dated 19 October 2020 of Midland Holdings in relation to the distribution in specie of all 610,976,997 Shares held by the Midland Group (representing approximately 33.84% of the issued share capital of the Company) to the Qualifying Midland Shareholders. Following completion of the Midland Distribution, the Midland Group will no longer hold any Share and the Company will no longer be accounted for as an associate of the Midland Group in the consolidated financial statements of Midland Holdings.

MANDATORY GENERAL OFFER FOLLOWING THE MIDLAND DISTRIBUTION

Immediately upon completion of the Midland Distribution, the voting rights in the Company held by the Offeror Acquirer Group and the Midland Group will decrease from approximately 63.07% to approximately 41.09% and the voting rights in the Company held by members of the Offeror Acquirer Group will correspondingly be increased from approximately 29.23% to approximately 41.09%. Accordingly, pursuant to Rule 26.1 of the Takeovers Code, the Offeror Acquirer Group will be required to make a mandatory cash offer, through the Offeror, for the Shares which are not already owned or to be acquired by the Offeror Acquirer Group.

THE OFFER

The Offer will be made at the following price:

For each Offer Share HK\$0.09587 in cash

The Offer Price represents the volume weighted average traded price of the Shares as quoted on the Stock Exchange on 19 October 2020, being the last trading day prior to the date of this announcement, in compliance with the Takeovers Code.

The Offer is only conditional upon valid acceptances being received resulting in the Offeror, Mr. Wong and parties acting in concert with any of them, together with any Share acquired by them before or during the Offer, holding more than 50% of the voting rights in the Company.

Confirmation of financial resources

The funds required by the Offeror to satisfy the consideration for the Offer will be financed by a combination of loan facility of HK\$100 million granted by Get Nice to the Offeror pursuant to the Facility Documentation and the internal resources of the Offeror.

Odysseus Capital, being the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the amount of funds required for full acceptances of the Offer.

DESPATCH OF THE COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch an offer document containing, among others, details of the Offer (including the expected timetable and accompanying therewith the acceptance and transfer form) to the Independent Shareholders within twenty-one (21) days after the date of this announcement, or such later date as the Executive may approve.

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document setting out, among others, details of the Offer and the respective letters of advice from the Independent Board Committee and the independent financial adviser to the Company in respect of the Offer will be despatched by the Offeror and the Company jointly to the Independent Shareholders subject to completion of the Midland Distribution. Further announcement will be made by the Company as soon as possible after its appointment of the independent financial adviser.

As completion of the Midland Distribution is currently expected to take place on or about 16 November 2020, consent will be sought by the Offeror and the Company from the Executive to extend the deadline for despatch of the Composite Document to within seven (7) days of the completion of the Midland Distribution.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on Tuesday, 20 October 2020 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Wednesday, 21 October 2020.

WARNING:

As the Offer may or may not become unconditional, Shareholders and investors of the Company should exercise extreme caution when dealing in the securities of the Company and, if in doubt as to their position, consult their professional advisers.

The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendations of the Independent Board Committee and a letter of advice from the independent financial adviser to the Company in respect of the Offer.

I. INTRODUCTION

Reference is made to the announcement dated 19 October 2020 of Midland Holdings in relation to the distribution of an interim dividend by Midland Holdings in the form of a Midland Distribution of all 610,976,997 Shares held by the Midland Group (representing approximately 33.84% of the issued share capital of the Company) to the Qualifying Midland Shareholders in proportion to their then respective shareholdings in Midland Holdings on the basis of every 2,000 shares of Midland Holdings for 1,700 Shares held by the Qualifying Midland Shareholders. Following completion of the Midland Distribution, the Midland Group will no longer hold any Share and the Company will no longer be accounted for as an associate of the Midland Group in the consolidated financial statements of Midland Holdings.

As at the date of this announcement, as confirmed by the Offeror, the Offeror Acquirer Group and the Midland Group are interested in an aggregate of 1,138,674,677 Shares (representing approximately 63.07% of the issued share capital of the Company), with: (1) Mr. Wong directly and indirectly holding approximately 35.07% of the issued capital of Midland Holdings (24,490,000 shares in Midland Holdings are held by Mr. Wong as beneficial owner and 227,337,824 shares in Midland Holdings are held through companies wholly owned by Mr. Wong) and Midland Holdings indirectly holding 610,976,997 Shares (representing approximately 33.84% of the issued share capital of the Company); (2) Mr. Wong, through the Offeror, indirectly holding 434,782,608 Shares (representing approximately 24.08% of the issued share capital of the Company); (3) Mr. Wong, through his wholly-owned companies, indirectly holding 80,670,072 Shares (representing approximately 4.47% of the issued share capital of the Company); and (4) Mr. Wong directly holding 12,245,000 Shares (representing approximately 0.68% of the issued share capital of the Company). Shareholding information of the Offeror, Mr. Wong and parties acting in concert with them is set out in the section headed “IV. SHAREHOLDING STRUCTURE OF THE COMPANY” in this announcement.

II. MANDATORY GENERAL OFFER FOLLOWING THE MIDLAND DISTRIBUTION

Immediately upon the completion of the Midland Distribution, the voting rights in the Company held by the Offeror Acquirer Group and the Midland Group will decrease from approximately 63.07% to approximately 41.09% and the voting rights in the Company held by members of the Offeror Acquirer Group will correspondingly be increased from approximately 29.23% to approximately 41.09%. Accordingly, pursuant to Rule 26.1 of the Takeovers Code, the Offeror Acquirer Group will be required to make a mandatory cash offer, through the Offeror, for the Shares which are not already owned or to be acquired by the Offeror Acquirer Group.

III. PRINCIPAL TERMS OF THE OFFER

The Offer will be made at the following price:

For each Offer Share HK\$0.09587 in cash

The Offer Price represents the volume weighted average of the traded price of the Shares as quoted on the Stock Exchange on 19 October 2020, being the last trading day prior to the date of this announcement, in compliance with the Takeovers Code. The Offer will be extended to all Independent Shareholders in accordance with the Takeovers Code and subject to the terms to be set out in the Composite Document. No comparable offer will be extended in respect of the Convertible Note as it is entirely held by the Offeror.

Condition of the Offer

The Offer is only conditional upon valid acceptances being received (and not withdrawn) by 4:00 p.m. on the closing date of the Offer (to be set out in the Composite Document or otherwise announced by the Offeror) resulting in the Offeror, Mr. Wong and parties acting in concert with any of them, together with any Share acquired by them before or during the Offer, holding more than 50% of the voting rights in the Company.

The Offeror will issue a further announcement in relation to the fulfilment of such condition (at which time the Offeror can declare the Offer unconditional as to acceptances if such condition has been fulfilled) and any revision, extension or lapse of the Offer, as the case may be, in accordance with the Takeovers Code. Unless otherwise agreed to by the Executive, the latest time on which the Offeror may declare the Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the despatch of the Composite Document.

As the Offer may or may not become unconditional, Shareholders and investors of the Company should exercise extreme caution when dealing in the securities of the Company and, if in doubt as to their position, consult their professional advisers.

Comparisons of value

The Offer Price of HK\$0.09587 per Offer Share represents:

- a) a discount of approximately 0.14% to the closing price as quoted on the Stock Exchange on the Last Trading Day of approximately HK\$0.0960 per Share;
- b) a premium of approximately 0.28% over the average of the closing prices as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.0956 per Share;

- c) a premium of approximately 0.60% over the average of the closing prices as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.0953 per Share;
- d) a premium of approximately 3.01% over the average of the closing prices as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.0931 per Share;
- e) a premium of approximately 7.87% over the average of the closing prices as quoted on the Stock Exchange for the ninety (90) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.0889 per Share;
- f) a discount of approximately 84.10% to the audited consolidated net asset value attributable to equity holders of the Company as at 31 December 2019 of approximately HK\$0.6029 per Share based on 1,805,282,608 Shares in issue as at the date of this announcement; and
- g) a discount of approximately 83.98% to the unaudited consolidated net asset value attributable to equity holders of the Company as at 30 June 2020 of approximately HK\$0.5986 per Share based on 1,805,282,608 Shares in issue as at the date of this announcement.

Value of the Offer

As at the date of this announcement, there are 1,805,282,608 Shares in issue. Excluding the 741,751,330 Shares held by the Offeror Acquirer Group immediately upon completion of the Midland Distribution and assuming there will be no change in the total number of issued Shares, the number of Shares subject to the Offer will be 1,063,531,278 Shares and the Offer is valued at approximately HK\$101,960,743.62 in total.

Confirmation of financial resources

The funds required by the Offeror to satisfy the consideration for the Offer will be financed by a combination of loan facility of HK\$100 million granted by Get Nice to the Offeror pursuant to the Facility Documentation and the internal resources of the Offeror.

Odysseus Capital, being the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the amount of funds required for full acceptances of the Offer.

Effect of accepting the Offer

Subject to the Offer becoming unconditional, by validly accepting the Offer, the accepting Independent Shareholders will sell their tendered Shares to the Offeror free from all liens, charges and encumbrances, and together with all rights attaching to them including the right to receive in full all dividends and other distributions, if any, recommended, declared, made or paid by reference to a date on or after the date on which the Offer is made, being the date of the Composite Document. The Company does not intend to make any such distribution and the Offeror does not intend to make any corresponding adjustment to the Offer Price.

Acceptance of the Offer will be irrevocable and not be capable of being withdrawn, except in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Offer shall be entitled to withdraw its/his/her acceptance after twenty-one (21) days from the first closing date of the Offer, if the Offer has not by then become unconditional as to acceptances. Any acceptance of the Offer by any Independent Shareholder shall be deemed to constitute a representation and warranty from such Independent Shareholder to the Offeror and the Company that all applicable local laws and requirements have been observed and complied with.

Payment

Subject to the Offer becoming unconditional, payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event, within seven (7) business days following the later of the date on which (i) the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid pursuant to the Takeovers Code; and (ii) the Offer has become, or been declared, unconditional.

Taxation advice

The Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror Acquirer Group, the Company, Get Nice, Odysseus Capital and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Independent Shareholders

The Offeror intends to make the Offer available to all Independent Shareholders. However, the availability of the Offer to Independent Shareholders whose addresses, as shown in the register of members of the Company, are outside Hong Kong may be prohibited under the laws of the relevant overseas jurisdictions. The Company reserves the right, subject to the consent of the Executive and the relevant legal requirements, (i) to make special arrangements with respect to the overseas Independent Shareholders whose receipt of the Composite Document is subject to the laws of the overseas jurisdiction, and/or (ii) to apply for exclusion and waiver with respect to the overseas Independent Shareholders whose receipt of the Composite Document is subject to prohibitive restrictions that are unduly burdensome. Details of such arrangement, if any, will be set out in the Composite Document. The Company will comply with the requirements under Rule 8 (subject to Note 3 to Rule 8) of the Takeovers Code in respect of any overseas Independent Shareholders.

Overseas Independent Shareholders should observe any applicable legal or regulatory requirements and, where necessary, seek professional advice. It is the responsibility of each overseas Independent Shareholder who wishes to accept the Offer to satisfy himself or herself as to the full observance of any applicable requirements and restrictions in their own jurisdictions, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with any other necessary formalities and the payment of any issue, transfer or other taxes due by such accepting overseas Independent Shareholders in such jurisdiction.

Hong Kong stamp duty

Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable to the relevant Independent Shareholder on valid acceptance of the Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of stamp duty on behalf of accepting Independent Shareholders and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of The Laws of Hong Kong).

Other arrangements

The Offeror confirms that, as at the date of this announcement:

- (i) none of the Offeror, Mr. Wong and persons acting in concert with them has received any irrevocable commitment to accept or reject the Offer;

- (ii) other than the Convertible Note, none of the Offeror, Mr. Wong and persons acting in concert with them holds any convertible securities, warrants or options of the Company;
- (iii) other than the Convertible Note, there is no outstanding derivative in respect of the securities in the Company which is owned, controlled or directed by, or has been entered into by the Offeror, Mr. Wong or persons acting in concert with them;
- (iv) save for the Facility Documentation and the Midland Distribution, there was no arrangement (whether by way of option, indemnity or otherwise) of any kind as referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares which might be material to the Offer;
- (v) there was no agreement or arrangement to which the Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (vi) none of the Offeror, Mr. Wong and persons acting in concert with them has borrowed or lent any relevant securities in the Company (as defined in Note 4 to Rule 22 of the Takeovers Code), save for any borrowed Shares which have been on-lent or sold;
- (vii) there is (1) no special deal between any Shareholder on the one hand, and the Offeror, Mr. Wong and parties acting in concert with them or the Company, its subsidiaries or associated companies on the other hand; and (2) no special deal between the Company on the one hand, and the Offeror, Mr. Wong and parties acting in concert with them on the other hand;
- (viii) save for the payment of the Offer Price, there is no other consideration in any form paid or payable by the Offeror, Mr. Wong and parties acting in concert with them under the Offer; and
- (ix) none of the Offeror, Mr. Wong and parties acting in concert with them had dealt in Shares or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) during the six month period prior to the date of this announcement.

IV. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, save for the Convertible Note, the Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares or other types of equity interest and has not entered into any agreement for the issue of such options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) convertible into or carrying right to subscribe for Shares.

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Midland Distribution, assuming there will be no change in the total number of issued Shares and no conversion of the Convertible Note:-

Shareholders	(i) As at the date of this announcement		(ii) Immediately upon completion of the Midland Distribution	
	<i>Approximate number of Shares</i>	<i>Approximate % of all issued Shares</i>	<i>Approximate number of Shares</i>	<i>Approximate % of all issued Shares</i>
Offeror and parties acting in concert with it:				
(A) Shares held by Midland Group				
Midland Group and the Offeror Acquirer Group	(Note 1): Offeror Acquirer Group (Note 2):	610,976,997	33.84%	–
	The Offeror	527,697,680	29.23%	741,751,330
	Sunluck	434,782,608	24.08%	434,782,608
	Mr. Wong	80,670,072	4.47%	273,907,222
	Sub-total:	12,245,000	0.68%	33,061,500
		1,138,674,677	63.07%	741,751,330
				41.09%
(B)	Other Directors holding Shares (Note 3)	2,300,000	0.13%	2,300,000
	Mr. Hung (Note 4)	1,410,000	0.08%	1,410,000
				0.13%
				0.08%
Other Shareholders:				
(C)	Public Shareholders	662,897,931	36.72%	1,059,821,278
	Total: (A)+(B)+(C)	1,805,282,608	100.00%	1,805,282,608
				58.71%
				100.00%

Notes:

- As at the date of this announcement, Mr. Wong is directly and indirectly holding approximately 35.07% of the issued capital of Midland Holdings, in which 24,490,000 shares of Midland Holdings are held by Mr. Wong as beneficial owner and 227,337,824 shares of Midland Holdings are held through companies wholly owned by Mr. Wong and Midland Holdings is indirectly holding 610,976,997 Shares (representing approximately 33.84% of the issued share capital of the Company). Accordingly, as the Offeror is indirectly and beneficially wholly-owned by Mr. Wong, Midland Holdings is presumed to be acting in concert with the Offeror.
- As at the date of this announcement, the Offeror and Sunluck are indirectly and beneficially wholly-owned by Mr. Wong.

3. As at the date of this announcement, each of Mr. WONG Hon Shing, Daniel (an executive Director) and Mr. YING Wing Cheung, William (an independent non-executive Director) directly holds 2,000,000 Shares and 300,000 Shares respectively (representing approximately 0.11% and 0.02% of the issued share capital of the Company respectively), both being persons presumed to be acting in concert with the Offeror by virtue of being the fellow Directors of Mr. Wong in the context of the Offer.
4. As at the date of this announcement, Mr. Hung directly holds 1,410,000 Shares (representing approximately 0.08% of the issued share capital of the Company), being a person presumed to be acting in concert with the Offeror by virtue of the role of Get Nice in the Offer.
5. The Company has adopted a share option scheme on 18 June 2020. As at the date of this announcement, there is no outstanding share option granted pursuant to such share option scheme of the Company.
6. The percentages are rounded to the nearest 2 decimal places and the total number of the percentages may not add up to exactly 100% due to rounding.
7. Save as disclosed above, none of the Offeror, Mr. Wong and their respective parties acting in concert own or control or has directions over any Shares.

V. INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI with limited liability and is indirectly and beneficially wholly-owned by Mr. Wong. As at the date of this announcement, other than holding interests in the Shares, the Offeror has not engaged in any business activities. Mr. Wong is the Chairman and an executive Director of the Company, and a director and the sole ultimate beneficial shareholder of the Offeror. The Offeror is required under Rule 26.1 of the Takeovers Code as a result of the completion of the Midland Distribution to make the Offer.

VI. INFORMATION ON THE GROUP

The Company is an investment holding company and the principal business activities of the Group are the provision of property agency services in respect of commercial and industrial properties and shops, properties investments, credit business and securities investments in Hong Kong.

Set out below is a summary of certain audited financial information of the Group for the two financial years ended 31 December 2018 and 2019 as set out in the Company's annual report for the year ended 31 December 2019 and the unaudited financial information of the Group for the six months ended 30 June 2020 as set out in the Company's interim report for the six months ended 30 June 2020:

	For the six months ended 30 June 2020 HK\$'000	For the year ended 31 December 2019 HK\$'000	For the year ended 31 December 2018 HK\$'000
Revenues	141,384	442,126	628,832
Operating (loss)/profit	(8,959)	(17,266)	66,148
(Loss)/profit and total comprehensive (loss)/income attributable to equity holders of the Company	(7,784)	(19,504)	48,148

As stated in the Company's annual report for the year ended 31 December 2019, the total equity attributable to equity holders of the Company as at 31 December 2019 was approximately HK\$1,088,347,000.

Further financial information of the Group will be set out in the Composite Document to be despatched to the Shareholders.

VII. INDEPENDENT BOARD COMMITTEE

The Independent Board Committee has been established for the purpose of making a recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to acceptance. The Independent Board Committee comprises all the independent non-executive Directors with no interest in the Offer save for holdings in Shares, namely Mr. YING Wing Cheung, William, Mr. SHA Pau, Eric and Mr. HO Kwan Tat, Ted.

VIII. INDEPENDENT FINANCIAL ADVISER

An independent financial adviser will be appointed by the Company to advise the Independent Board Committee in respect of the Offer and in particular as to whether the terms of the Offer are fair and reasonable and as to acceptance pursuant to Rule 2.1 of the Takeovers Code. Further announcement will be made by the Company as soon as possible after its appointment of the independent financial adviser.

IX. COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch an offer document containing, among others, details of the Offer (including the expected timetable and accompanying therewith the acceptance and transfer form) to the Independent Shareholders within twenty-one (21) days after the date of this announcement, or such later date as the Executive may approve.

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document setting out, among others, details of the Offer and the respective letters of advice from the Independent Board Committee and the independent financial adviser to the Company in respect of the Offer will be despatched by the Offeror and the Company jointly to the Independent Shareholders subject to completion of the Midland Distribution.

As completion of the Midland Distribution is currently expected to take place on or about 16 November 2020, consent will be sought by the Offeror and the Company from the Executive to extend the deadline for despatch of the Composite Document to within seven (7) days of the completion of the Midland Distribution.

X. DISCLOSURE OF DEALINGS

Under Rule 3.8 of the Takeovers Code, the respective associates (which include, among others, any person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code)) of the Offeror and the Company are hereby reminded to disclose their dealings in relevant securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on Tuesday, 20 October 2020 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Wednesday, 21 October 2020.

WARNING:

As the Offer may or may not become unconditional, Shareholders and investors of the Company should exercise extreme caution when dealing in the securities of the Company and, if in doubt as to their position, consult their professional advisers.

The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendations of the Independent Board Committee and a letter of advice from the independent financial adviser to the Company in respect of the Offer.

DEFINITIONS

In this announcement, the following expressions have the meanings set out respectively adjacent below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“associates”	has the meaning ascribed to it in the Takeovers Code
“Board”	the board of Directors
“business day”	has the meaning ascribed to it in the Takeovers Code
“BVI”	the British Virgin Islands
“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)
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Independent Shareholders in accordance with the Takeovers Code containing, among others, the terms of the Offer and accompanying therewith the acceptance and transfer form in respect of the Offer
“Convertible Note”	the convertible note due 2021 in the principal amount of HK\$200 million as held by the Offeror, convertible at the conversion price of HK\$0.46 per Share into 434,782,608 Shares in full
“Director(s)”	director(s) of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegates of the Executive Director
“Facility Documentation”	the facility agreement and documentation entered into between Get Nice as lender and the Offeror as borrower and Mr. Wong as the guarantor dated 19 October 2020 in respect of the loan facility of HK\$100 million granted by Get Nice to the Offeror for the purpose of the Offer which is secured by the Convertible Note and the Shares to be acquired by the Offeror under the Offer

“Get Nice”	Get Nice Securities Limited, a licensed corporation permitted to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities as defined under the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong)
“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 Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors with no interest in the Offer save for holdings in Shares, namely Mr. YING Wing Cheung, William, Mr. SHA Pau, Eric and Mr. HO Kwan Tat, Ted, established to advise the Independent Shareholders in respect of the Offer and as to acceptance
“Independent Shareholders”	Shareholders other than the Offeror Acquirer Group
“Last Trading Day”	19 October 2020, being the last trading day of the Shares prior to the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Midland Distribution”	the distribution of an interim dividend by Midland Holdings in the form of a distribution in specie of 610,976,997 Shares (representing approximately 33.84% of the issued share capital of the Company) held by the Midland Group to the Qualifying Midland Shareholders in proportion to their then respective shareholdings in Midland Holdings
“Midland Distribution Record Date”	6 November 2020, being the date for determining the entitlements of the shareholder(s) of Midland Holdings in the Midland Distribution
“Midland Group”	Midland Holdings and its subsidiaries
“Midland Holdings”	Midland Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1200)
“Mr. Hung”	Mr. Hung Hon Man is the indirect substantial shareholder of Get Nice and a person presumed to be acting in concert with the Offeror by virtue of the role of Get Nice in the Offer

“Mr. Wong”	Mr. WONG Kin Yip, Freddie, the Chairman and an executive Director of the Company, and a director and the sole ultimate beneficial shareholder of the Offeror
“Odysseus Capital”	Odysseus Capital Asia Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong) to carry out Type 6 (advising on corporate finance) regulated activity, being the financial adviser to the Offeror in respect of the Offer
“Offer”	the conditional mandatory cash offer to be made by Get Nice on behalf of the Offeror for the Offer Shares
“Offer Price”	the price at which the Offer will be made, being HK\$0.09587 per Offer Share
“Offer Share(s)”	all the issued Share(s) other than those already owned or to be acquired by the Offeror Acquirer Group
“Offeror”	Wealth Builder Holdings Limited, a company incorporated in the BVI with limited liability which is indirectly and beneficially wholly-owned by Mr. Wong
“Offeror Acquirer Group”	Mr. Wong and his indirect wholly-owned companies, namely the Offeror and Sunluck, being parties acting in concert with Mr. Wong
“PRC”	The People’s Republic of China
“Qualifying Midland Shareholders”	the shareholder(s) of Midland Holdings whose name(s) appear(s) on the register of members of Midland Holdings on the Midland Distribution Record Date, other than the shareholder(s) of Midland Holdings whose (respective) address as shown on the register of members of Midland Holdings on the Midland Distribution Record Date is in a place outside Hong Kong (if any), and whom is excluded from receiving the Shares in the Midland Distribution on account of the relevant legal or regulatory requirements or restrictions by the board of directors of Midland Holdings out of necessity or expediency
“relevant securities”	has the meaning as defined in Note 4 to Rule 22 of the Takeovers Code
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company

“Shareholder(s)”	holder(s) of Share(s)
“special deals”	has the meaning as defined in Rule 25 of the Takeovers Code
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunluck”	Sunluck Services Limited, a company incorporated in the BVI which is indirectly and beneficially wholly-owned by Mr. Wong
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

By order of the board of
Wealth Builder Holdings Limited
WONG Kin Yip, Freddie
Director

By order of the board of
Midland IC&I Limited
WONG Hon Shing, Daniel
Chief Executive Officer and Executive Director

Hong Kong, 20 October 2020

As at the date of this announcement, the directors of the Offeror are Mr. WONG Kin Yip, Freddie, Ms. TANG Mei Lai, Metty and Ms. WONG Ching Yi, Angela.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Directors in their capacity as directors of the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the Board comprises six Directors, of which three are Executive Directors, namely Mr. WONG Kin Yip, Freddie, Ms. WONG Ching Yi, Angela and Mr. WONG Hon Shing, Daniel; and three are Independent Non-Executive Directors, namely Mr. YING Wing Cheung, William, Mr. SHA Pau, Eric and Mr. HO Kwan Tat, Ted.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Offeror or any of its associates or any parties acting in concert with any of them (excluding the Group)) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of the Offeror in their capacity as directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.