



Midland IC&I Limited
美聯工商舖有限公司*

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

Executive Directors

Mr. WONG Kin Yip, Freddie (*Chairman*)
Ms. WONG Ching Yi, Angela
Mr. WONG Hon Shing, Daniel
(*Chief Executive Officer*)

Independent Non-Executive Directors

Mr. YING Wing Cheung, William
Mr. SHA Pau, Eric
Mr. HO Kwan Tat, Ted

Registered Office

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P.O. Box 2681
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Cayman Islands

***Head office and principal place of
business in Hong Kong***

Rooms 2505-8, 25th Floor
World-Wide House
19 Des Voeux Road Central
Hong Kong

23 November 2020

To the Independent Shareholders,

Dear Sir or Madam,

**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)**

INTRODUCTION

Reference is made to the Announcement dated 20 October 2020 jointly issued by the Offeror and the Company in relation to, among other things, the Midland Distribution and the Offer.

* *For identification purpose only*

As disclosed in the Announcement, reference was 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. As no fractional Share was distributed pursuant to the terms of the Midland Distribution, the 637,906 residual Shares held by Midland Holdings (representing approximately 0.035% of the issued Shares) will be realised by Midland Holdings or its agents in the open market as soon as practicable. In light of this, an application has been made to seek consent from the Executive pursuant to Rule 21.2 of the Takeovers Code for such realisation during the Offer Period and the Executive has indicated that it is minded to grant its consent for such realisation following a 24 hours public notice period. Further announcement(s) will be made by the Offeror and the Company in this regard.

Following completion of the Midland Distribution on 16 November 2020 and as at the Latest Practicable Date, the Midland Group no longer held any Share (other than the 637,906 residual Shares to be realised in the open market as part of the Midland Distribution) and the Company was no longer accounted for as an associated company of the Midland Group in the consolidated financial statements of Midland Holdings.

Immediately upon completion of the Midland Distribution, the voting rights in the Company held by the Offeror Acquirer Group and the Midland Group decreased from approximately 63.07% to approximately 41.12% (and will, following the realisation of the 637,906 residual Shares by Midland Holdings, decrease to 41.09%) and the voting rights in the Company held by members of the Offeror Acquirer Group correspondingly increased from approximately 29.23% to approximately 41.09%. Accordingly, pursuant to Rule 26.1 of the Takeovers Code, the Offeror Acquirer Group is 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 purpose of the Composite Document (of which this letter forms part of) is to provide you with, among other things, (i) further information relating to each of the Group, the Offeror and the Offer, (ii) the “Letter from Get Nice” containing details of the Offer; (iii) the “Letter from the Independent Board Committee” containing its recommendations and advice to the Independent Shareholders in respect of the Offer; and (iv) the “Letter from the Independent Financial Adviser” containing its advice and recommendations to the Independent Board Committee on whether the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and as to acceptance in respect of the Offer.

Unless the context otherwise requires, terms defined in the Composite Document have the same meanings when used in this letter.

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

In accordance with Rules 2.1 and 2.8 of the Takeovers Code, the Independent Board Committee comprising all the independent non-executive Directors, namely Mr. YING Wing Cheung, William, Mr. SHA Pau, Eric and Mr. HO Kwan Tat, Ted, has been established by the Company to make a recommendation to the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

Altus Capital, with the approval of the Independent Board Committee, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee as to whether the Offer is fair and reasonable and as to acceptance of the Offer.

THE OFFER

Principal terms of the Offer

As set out in the “Letter from Get Nice” contained in this Composite Document, Get Nice, on behalf of the Offeror, is making the Offer, to acquire all the issued Shares other than those already owned or to be acquired by the Offeror Acquirer Group, in compliance with the Takeovers Code on the following basis:

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 the Announcement, in compliance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and free from all liens, charges and encumbrances and together with all rights attaching thereto, 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 Despatch Date. The Company does not intend to make any such distribution.

Further details of the Offer are set out under the section headed “Letter from Get Nice”, Appendix I to the Composite Document and the accompanying Form of Acceptance, which together set out the terms and conditions of the Offer and certain related information.

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 the shareholding structure of the Company as at the Latest Practicable Date (which was same as the one immediately upon completion of the Midland Distribution):–

Shareholders		Approximate number of Shares	Approximate % of all issued Shares
Offeror and parties acting in concert with it:			
(A) Shares held by Midland Group and the Offeror Acquirer Group	Midland Group (Note 1): Offeror Acquirer Group (Note 2): The Offeror Sunluck Mr. Wong	637,906 741,751,330 434,782,608 273,907,222 33,061,500	0.04% 41.09% 24.08% 15.17% 1.83%
	Sub-total	742,389,236	41.12%
(B)	Other Directors holding Shares (Note 3) Mr. Hung (Note 4)	 2,300,000 2,127,400	 0.13% 0.12%
Other Shareholders:			
(C)	Public Shareholders	1,058,465,972	58.63%
	Total: (A)+(B)+(C)	1,805,282,608	100.00%

Notes:

- Such 637,906 Shares (representing approximately 0.035% of the issued Shares) represented the residual Shares to be sold in the open market by Midland Holdings or its agents as soon as practicable as part of the Midland Distribution.
- As at Latest Practicable Date, the Offeror and Sunluck were indirectly and beneficially wholly-owned by Mr. Wong.
- As at the Latest Practicable Date, each of Mr. WONG Hon Shing, Daniel (an executive Director) and Mr. YING Wing Cheung, William (an independent non-executive Director) directly held 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.
- As at the Latest Practicable Date, Mr. Hung directly held 2,127,400 Shares (representing approximately 0.12% 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.
- The percentages are rounded to the nearest 2 decimal places and the total number of the percentages may not add up to 100% due to rounding.

Your attention is also drawn to Appendices II and V to the Composite Document, which contain the financial information of the Group and the general information of the Group, respectively.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “II. Information on the Offeror” in the “Letter from Get Nice” in the Composite Document for information relating to the Offeror.

INTENTION OF THE OFFEROR

Your attention is drawn to the section headed “III. Intention of the Offeror” in the “Letter from Get Nice” in the Composite Document, which sets out the intention of the Offeror with regard to the Group.

The Board is pleased to note the intention of the Offeror in respect of the Group as disclosed.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

Your attention is drawn to the section headed “IV. Public float and maintaining the listing status of the Company” in the “Letter from Get Nice” in the Composite Document.

FURTHER INFORMATION

You are advised to read the “Letter from Get Nice” in the Composite Document and the accompanying Form of Acceptance for information relating to the Offer and the acceptance and settlement procedures of the Offer. Your attention is also drawn to the additional information contained in the appendices to the Composite Document.

RECOMMENDATIONS

Your attention is drawn to (i) the “Letter from the Independent Board Committee” set out in the Composite Document, which contains the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (ii) the “Letter from the Independent Financial Adviser” set out in the Composite Document, which sets out the advice and recommendation of the Independent Financial Adviser to the Independent Shareholders and the Independent Board Committee in relation to the Offer and the principal factors considered by it before arriving at its recommendation. You are urged to read both letters and the other information contained in the Composite Document carefully before taking any action in respect of the Offer.

In considering what actions to take in response to the Offer, you should also consider your own tax positions, if any, and in case of doubt, consult your professional advisers.



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