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MIDLAND HOLDINGS LIMITED

美聯集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1200)

CONTINUING CONNECTED TRANSACTIONS

On 31 March 2010, UHL, a wholly-owned subsidiary of the Company, entered into the New Lease with VDL in relation to the leasing of a shop premises. VDL is wholly owned by Mr. Wong, the Chairman, the Managing Director and a substantial shareholder of the Company. The New Lease accordingly constitutes a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules.

The New Lease on its own is not subject to any reporting, announcement or independent shareholders' approval requirement as each of the applicable percentage ratios in respect of the annual rent payable under the New Lease is less than 0.1%. However, when aggregated with the Existing Leases pursuant to Rule 14A.25 of the Listing Rules, certain applicable percentage ratios in respect of the annual rent payable under the Leases exceed 0.1% and HK\$1,000,000 but do not exceed 2.5%. Accordingly, the Leases are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The principal terms of the New Lease entered into on 31 March 2010 are set out below:

A. PRINCIPAL TERMS OF THE NEW LEASE

1. Date

31 March 2010

2. Parties

- (i) UHL, a wholly-owned subsidiary of the Company, as tenant; and
- (ii) VDL, a company wholly owned by Mr. Wong, as landlord. The principal business of VDL is property investment

3. Premises to be let

Shop E on the Lower Ground Floor and Utility Room at Rear of Splendid Place, No.39 Tai Koo Shing Road, Hong Kong

* *For identification purposes only*

4. *Term*

Two years from 16 April 2010 to 15 April 2012 (both days inclusive), for renewal of Existing Lease 1

5. *Rental*

HK\$85,000 per month (exclusive of management fee, air-conditioning charges and Government rent and rates), payable in advance on the first day of each calendar month

6. *Rent-free period*

Nil

7. *Option to renew*

Nil

The New Lease on its own is not subject to any reporting, announcement or independent shareholders' approval requirement as each of the applicable percentage ratios in respect of the annual rent payable under the New Lease is less than 0.1%. However, when aggregated with the Existing Leases pursuant to Rule 14A.25 of the Listing Rules, certain applicable percentage ratios in respect of the annual rent payable under the Leases exceed 0.1% and HK\$1,000,000 but do not exceed 2.5%. Accordingly, the Leases are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Each of the Existing Leases, whether on its own or in aggregate, is not subject to any reporting, announcement or independent shareholders' approval requirement. Their principal terms are disclosed in this announcement because when aggregated with the New Lease, they constitute non-exempt continuing connected transactions for the Company under Rule 14A.34 of the Listing Rules.

B. PRINCIPAL TERMS OF EXISTING LEASE 1

1. *Date*

15 April 2008

2. *Parties*

- (i) UHL, a wholly-owned subsidiary of the Company, as tenant; and
- (ii) VDL, a company wholly owned by Mr. Wong, as landlord. The principal business of VDL is property investment

3. *Premises let*

Shop E on the Lower Ground Floor and Utility Room at Rear of Splendid Place, No.39 Tai Koo Shing Road, Hong Kong

4. *Term*

Two years from 16 April 2008 to 15 April 2010 (both days inclusive)

5. *Rental*

HK\$85,000 per month (exclusive of management fee, air-conditioning charges and Government rent and rates), payable in advance on the first day of each calendar month

6. *Rent-free period*

Nil

7. *Option to renew*

UHL has an option to renew the tenancy for a further term of one year immediately after the expiry of the term at the prevailing market rental

C. PRINCIPAL TERMS OF EXISTING LEASE 2

1. *Date*

30 October 2009

2. *Parties*

- (i) UHL, a wholly-owned subsidiary of the Company, as tenant; and
- (ii) GSL, a company wholly owned by Mr. Wong, as landlord. The principal business of GSL is property investment

3. *Premises let*

Shop E on the Ground Floor of Sun Luen Building, Nos.29, 29A, 29B, 31, 31A and 31B, Bonham Road, Hong Kong

4. *Term*

Two years from 1 November 2009 to 31 October 2011 (both days inclusive)

5. *Rental*

HK\$48,000 per month (exclusive of management fee, air-conditioning charges and Government rent and rates), payable in advance on the first day of each calendar month

6. *Rent-free period*

Nil

7. *Option to renew*

UHL has an option to renew the tenancy for a further term of two years immediately after the expiry of the term at the prevailing market rental

D. PRINCIPAL TERMS OF EXISTING LEASE 3

1. *Date*

30 October 2009

2. *Parties*

- (i) MDL, a wholly-owned subsidiary of the Company, as tenant; and
- (ii) GPL, a company wholly owned by Mr. Wong, as landlord. The principal business of GPL is property investment

3. *Premises let*

Shop F on the Lower Ground Floor of Splendid Place, No.39 Tai Koo Shing Road, Hong Kong

4. *Term*

Two years from 1 November 2009 to 31 October 2011 (both days inclusive)

5. *Rental*

HK\$69,000 per month (exclusive of management fee, air-conditioning charges and Government rent and rates), payable in advance on the first day of each calendar month

6. *Rent-free period*

30 days from 1 November 2009 to 30 November 2009 (both days inclusive)

7. *Option to renew*

MDL has an option to renew the tenancy for a further term of two years immediately after the expiry of the term at the prevailing market rental

E. PRINCIPAL TERMS OF EXISTING LEASE 4

1. *Date*

30 October 2009

2. *Parties*

- (i) HKPLL, a wholly-owned subsidiary of the Company, as tenant; and
- (ii) SEL, a company wholly owned by Mr. Wong, as landlord. The principal business of SEL is property investment

3. *Premises let*

Unit No.4 on the 7th Floor of Tower II of South Seas Centre, No.75 Mody Road, Kowloon, Hong Kong

4. *Term*

Two years from 1 November 2009 to 31 October 2011 (both days inclusive)

5. *Rental*

HK\$33,600 per month (exclusive of management fee, air-conditioning charges and Government rent and rates), payable in advance on the first day of each calendar month

6. *Rent-free period*

30 days from 1 November 2009 to 30 November 2009 (both days inclusive)

7. *Option to renew*

HKPLL has an option to renew the tenancy for a further term of two years immediately after the expiry of the term at the prevailing market rental

F. ANNUAL CAP

The aggregate annual cap for the Leases based on the total annual rental payable under the Leases for each of the three years ending 31 December 2010, 2011, and 2012 is HK\$3,000,000, HK\$2,700,000 and HK\$350,000 respectively.

G. REASONS FOR ENTERING INTO THE CONTINUING CONNECTED TRANSACTIONS

The Group is principally engaged in provision of property agency services in Hong Kong, Macau and the PRC.

The premises rented under the Leases are and will be used either as offices or branches for the real estate agency business of the Group. The terms of the Leases have been determined after arm's length negotiation between the parties with reference to the prevailing market rent for properties of similar size and location and the prevailing market conditions. The Directors (including the independent non-executive Directors) are of the view that the Leases are entered into on normal commercial terms in the ordinary and usual course of business of the Group and that the terms of the Leases and the annual caps under the Leases are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

H. LISTING RULES IMPLICATIONS

Each of VDL, GSL, GPL and SEL is wholly owned by Mr. Wong, the Chairman, the Managing Director and a substantial shareholder of the Company. The Leases accordingly constitute continuing connected transactions for the Company under Rule 14A.14 of the Listing Rules.

Each of the Leases on its own is not subject to any reporting, announcement or independent shareholders' approval requirement as each of the applicable percentage ratios in respect of the annual rent payable under the relevant lease is less than 0.1%. However, when aggregated together pursuant to Rule 14A.25 of the Listing Rules, certain applicable percentage ratios in respect of the annual caps calculated based on the total annual rental payable under the Leases exceed 0.1% and HK\$1,000,000 but do not exceed 2.5%. Accordingly, the Leases are subject to the reporting and announcement requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

I. DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the context requires otherwise:

"Board"	the board of Directors
"Company"	Midland Holdings Limited, a company incorporated in Bermuda whose shares are listed on the Main Board of the Stock Exchange
"Directors"	the directors of the Company
"Existing Lease 1"	the tenancy agreement dated 15 April 2008 entered into between UHL as tenant and VDL as landlord in respect of the leasing of a shop premises in Tai Koo Shing, Hong Kong
"Existing Lease 2"	the tenancy agreement dated 30 October 2009 entered into between UHL as tenant and GSL as landlord in respect of the leasing of a shop premises in Mid-Levels, Hong Kong
"Existing Lease 3"	the tenancy agreement dated 30 October 2009 entered into between MDL as tenant and GPL as landlord in respect of the leasing of a shop premises in Tai Koo Shing, Hong Kong
"Existing Lease 4"	the tenancy agreement dated 30 October 2009 entered into between HKPLL as tenant and SEL as landlord in respect of the leasing of an office premises in Tsimshatsui, Hong Kong
"Existing Leases"	collectively Existing Lease 1, Existing Lease 2, Existing Lease 3 and Existing Lease 4
"Group"	the Company and its subsidiaries
"GPL"	Goal Precise Limited, which is a limited liability company incorporated in the British Virgin Islands and is wholly owned by Mr. Wong
"GSL"	Gold Sphere Limited, which is a limited liability company incorporated in the British Virgin Islands and is wholly owned by Mr. Wong
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKPLL"	Hong Kong Property Leasing (XXII) Limited, which is a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Leases"	collectively the New Lease and the Existing Leases
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macau Special Administrative Region of the PRC

"MDL"	Main Dynasty Limited, which is a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
"Mr. Wong"	Mr. Wong Kin Yip, Freddie, the Chairman, the Managing Director and a substantial shareholder of the Company
"New Lease"	the tenancy agreement dated 31 March 2010 entered into between UHL as tenant and VDL as landlord in respect of the leasing of a shop premises in Tai Koo Shing, Hong Kong
"PRC"	The People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
"SEL"	Shining Era Limited, which is a limited liability company incorporated in the British Virgin Islands and is wholly owned by Mr. Wong
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"UHL"	Union Honor Limited, which is a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
"VDL"	Vision Dynasty Limited, which is a limited liability company incorporated in the British Virgin Islands and is wholly owned by Mr. Wong

By order of the Board
Midland Holdings Limited
Kam Man Yi, Margaret
Company Secretary

Hong Kong, 31 March 2010

As at the date of this announcement, the Board comprises ten Directors, of which seven are executive Directors, namely, Mr. Wong Kin Yip, Freddie, Ms. Tang Mei Lai, Metty, Mr. Wong Kam Hong, Mr. Chan Kwan Hing, Ms. Wong Ching Yi, Angela, Mr. Kwok Ying Lung and Ms. Ip Kit Yee, Kitty; and three are independent non-executive Directors, namely, Mr. Koo Fook Sun, Louis, Mr. Sun Tak Chiu and Mr. Wang Ching Miao, Wilson.