

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Midland IC&I Limited

美聯工商舖有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 459)

**DISCLOSEABLE TRANSACTIONS
IN RELATION TO
ACQUISITIONS OF THE PROPERTIES**

The Acquisitions

The Board is pleased to announce that on 12 April 2018 (after trading hours) the Properties Purchasers, all of which are wholly-owned subsidiaries of the Company, the Properties Seller and the Agent have entered into the Properties Acquisition Agreements respectively. Pursuant to the Properties Acquisition Agreements, the Properties Purchasers have agreed to acquire and the Properties Seller has agreed to sell the Properties respectively.

The aggregate consideration for the Acquisitions is agreed at HK\$125 million, which will be settled in cash by stages.

Listing Rules implications

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisitions is more than 5% but less than 25%, the Acquisitions constitute discloseable transactions for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

* For identification purpose only

(A) INTRODUCTION

The Board is pleased to announce that on 12 April 2018 (after trading hours) the Properties Purchasers, all of which are wholly-owned subsidiaries of the Company, the Properties Seller and the Agent have entered into the Properties Acquisition Agreements respectively. Pursuant to the Properties Acquisition Agreements, the Properties Purchasers have agreed to acquire and the Properties Seller has agreed to sell the Properties respectively.

(B) THE ACQUISITIONS

I. 7th Floor Acquisition Agreement

Date: 12 April 2018

Parties: (i) the 7th Floor Purchaser;
(ii) the Properties Seller; and
(iii) the Agent.

Asset to be acquired

Pursuant to the 7th Floor Acquisition Agreement, the 7th Floor Purchaser has agreed to acquire and the Properties Seller has agreed to sell the interests in the 7th Floor Property. The 7th Floor Property consists of the whole of the 7th Floor, Kaiseng Commercial Centre, Nos. 4 & 6 Hankow Road, Kowloon, Hong Kong with a gross floor area of approximately 4,140 sq. ft.. It is currently leased out and is intended that the 7th Floor Property will continue to be leased out for rental income.

Based on the existing tenancy agreement, the estimated net rental income generated from the 7th Floor Property before and after taxation amounts to approximately HK\$1.64 million and HK\$1.37 million respectively, after taking into account all the relevant expenses for managing the property.

The consideration of the 7th Floor Property

The consideration of the 7th Floor Property is agreed at HK\$62.5 million after arm's length negotiation between the 7th Floor Purchaser and the Properties Seller having taken into account, among others, (i) the prevailing market conditions and the estimated market value of the 7th Floor Property; and (ii) the prospects of the 7th Floor Property.

The consideration of the 7th Floor Property will be settled in cash by stages using internal resources of the Company and/or external financing as follows: (i) HK\$3.125 million upon the signing of the 7th Floor Acquisition Agreement; (ii) HK\$3.125 million on or before 27 April 2018; and (iii) the balance of HK\$56.25 million upon completion, which shall take place on or before 12 June 2018.

II. 8th Floor Acquisition Agreement

Date: 12 April 2018

Parties: (i) the 8th Floor Purchaser;
(ii) the Properties Seller; and
(iii) the Agent.

Asset to be acquired

Pursuant to the 8th Floor Acquisition Agreement, the 8th Floor Purchaser has agreed to acquire and the Properties Seller has agreed to sell the interests in the 8th Floor Property. The 8th Floor Property consists of the whole of the 8th Floor, Kaiseng Commercial Centre, Nos. 4 & 6 Hankow Road, Kowloon, Hong Kong with a gross floor area of approximately 4,140 sq. ft.. It is currently leased out and is intended that the 8th Floor Property will continue to be leased out for rental income.

Based on the existing tenancy agreement, the estimated net rental income generated from the 8th Floor Property before and after taxation amounts to approximately HK\$1.69 million and HK\$1.41 million respectively, after taking into account all the relevant expenses for managing the property.

The consideration of the 8th Floor Property

The consideration of the 8th Floor Property is agreed at HK\$62.5 million after arm's length negotiation between the 8th Floor Purchaser and the Properties Seller having taken into account, among others, (i) the prevailing market conditions and the estimated market value of the 8th Floor Property; and (ii) the prospects of the 8th Floor Property.

The consideration of the 8th Floor Property will be settled in cash by stages using internal resources of the Company and/or external financing as follows: (i) HK\$3.125 million upon the signing of the 8th Floor Acquisition Agreement; (ii) HK\$3.125 million on or before 27 April 2018; and (iii) the balance of HK\$56.25 million upon completion, which shall take place on or before 12 June 2018.

(C) REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The principal activities of the Group are provision of property agency services in respect of commercial and industrial properties and shops, and property investment in Hong Kong.

After decades of involvement in the Hong Kong property market, the Group has accumulated significant experience in industrial, commercial and retail sectors of the property industry. By leveraging its in-depth knowledge of the local property market, the Group has also participated directly in the market by acquiring and letting out properties for rental income in recent years. In March 2017, the Company completed the acquisition of the en-bloc building at Nos. 33 and 35 Java Road, Hong Kong and the property was ready to be used as serviced apartments and shops at the end of 2017, and in March 2018, the Company has further completed the acquisition of five floors and three car parking spaces of LMK Development Estate at Nos. 10/16 Kwai Ting Road, Kwai Chung, New Territories, Hong Kong. The Company has further entered into agreement for sale and purchase of Shop No. 6 on Ground Floor, Cambridge Court, Nos. 84A-84H and Nos. 84J-84M Waterloo Road, Kowloon, Hong Kong in early April 2018.

The Acquisitions are in line with the Group's strategy of exploring new business opportunities and represent an expansion of the Group's existing property investment business following the recent acquisitions as mentioned above. It is expected that the Properties will be let out for rental income and will provide an additional and stable rental income to the Group. The Acquisitions allow the Company to further broaden the income source and avoid reliance on its volatile agency fee income and allow the Group to enjoy the possible capital appreciation of the Properties.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Properties Acquisition Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(D) INFORMATION OF THE PROPERTIES SELLER

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Properties Seller, its ultimate beneficial owners and its associates are independent third parties of the Company and its connected persons; and (ii) the Properties Seller is an investment company incorporated in Hong Kong with limited liability.

(E) LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisitions is more than 5% but less than 25%, the Acquisitions constitute discloseable transactions for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

(F) DEFINITIONS

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

“7th Floor Acquisition Agreement”	the property acquisition agreement entered into on 12 April 2018 among the 7th Floor Purchaser, the Properties Seller and the Agent
-----------------------------------	---

“7th Floor Property”	the whole of the 7th Floor, Kaiseng Commercial Centre, Nos. 4 & 6 Hankow Road, Kowloon, Hong Kong
“7th Floor Purchaser”	Supreme Gold Development Limited (德金發展有限公司), a wholly-owned subsidiary of the Company
“8th Floor Acquisition Agreement”	the property acquisition agreement entered into on 12 April 2018 among the 8th Floor Purchaser, the Properties Seller and the Agent
“8th Floor Property”	the whole of the 8th Floor, Kaiseng Commercial Centre, Nos. 4 & 6 Hankow Road, Kowloon, Hong Kong
“8th Floor Purchaser”	Grand Win (H.K.) Limited (信榮(香港)有限公司), a wholly-owned subsidiary of the Company
“Acquisitions”	the acquisitions pursuant to the Properties Acquisition Agreements
“Agent”	Midland Realty (Comm.) Limited (美聯物業代理(商業)有限公司), a wholly-owned subsidiary of the Company
“associate(s)”	has the same meaning as defined in the Listing Rules
“Board”	the board of the Directors
“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
“connected person(s)”	has the same meaning as defined in the Listing Rules
“Director(s)”	the director(s) 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 People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Properties”	collectively, the 7th Floor Property and the 8th Floor Property
“Properties Acquisition Agreements”	collectively, the 7th Floor Acquisition Agreement and the 8th Floor Acquisition Agreement
“Properties Purchasers”	collectively, the 7th Floor Purchaser and the 8th Floor Purchaser
“Properties Seller”	State Well International Limited (國惠國際有限公司), a company incorporated in Hong Kong with limited liability
“Share(s)”	the ordinary share(s) with par value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 12 April 2018

As at the date of this announcement, the Board comprises eight Directors, of which three are executive Directors, namely Ms. TANG Mei Lai, Metty, Ms. WONG Ching Yi, Angela and Mr. WONG Hon Shing, Daniel; two are non-executive Directors, namely Mr. KAN Chung Nin, Tony and Mr. TSANG Link Carl, Brian (with Mr. CHU Kuo Fai, Gordon 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.