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

## **CONTINUING CONNECTED TRANSACTIONS LEASES AND LICENCE WITH CONNECTED PERSONS**

The Group had from time to time on separate occasions in its ordinary and usual course of business entered into different lease agreements and licence agreement with certain connected persons of the Company, which constitute continuing connected transactions of the Company.

The Group had from time to time on separate occasions in its ordinary and usual course of business entered into different lease agreements and licence agreement with certain connected persons of the Company, principal terms of which are provided for information as follows:

### **(A) THE CAMBRIDGE COURT LEASE**

#### **1. Date**

14 July 2020

#### **2. Parties**

- (i) Bright Eastern, an indirect wholly-owned subsidiary of the Company, as landlord; and
- (ii) Midland Corporate Leasing, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Midland Holdings, as tenant. The principal business activity of Midland Corporate Leasing is leasing management.

#### **3. Premises**

Shop No. 6 on Ground Floor, Cambridge Court, Nos. 84A-84H & 84J-84M Waterloo Road, Kowloon, Hong Kong

\* For identification purpose only

**4. Term**

Two years from 15 July 2020 to 14 July 2022 (both days inclusive)

**5. Rental**

HK\$88,000 per month (exclusive of management fee, air-conditioning charges, Government rent and rates), payable in advance on the first day of each calendar month

**6. Rent-free period**

4 months

An annual cap of HK\$416,000, HK\$898,000 and HK\$483,000 for the years ending 31 December 2020, 2021 and 2022 was determined based on the estimated total rentals receivable by the Group and a reasonable buffer to cater for any minor rentals adjustment for such respective period under the Cambridge Court Lease.

**(B) THE 2020 FORD GLORY LEASE**

**1. Date**

18 March 2020

**2. Parties**

- (i) Teamway Group Limited, an indirect wholly-owned subsidiary of the Company, as landlord; and
- (ii) City First Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by Midland Holdings, as tenant. The principal business activity of City First Limited is leasing management.

**3. Premises**

The Whole of 21st Floor, Ford Glory Plaza, No. 37 Wing Hong Street, Kowloon, Hong Kong

**4. Term**

One year from 19 March 2020 to 18 March 2021 (both days inclusive)

**5. Rental**

HK\$212,000 per month (exclusive of management fee, air-conditioning charges, Government rent and rates), payable in advance on the first day of each calendar month

## **6. Rent-free period**

Nil

An annual cap of HK\$2,037,000 and HK\$559,000 for the years ending 31 December 2020 and 2021 was determined based on the estimated total rentals receivable by the Group and a reasonable buffer to cater for any minor rentals adjustment for such period under the 2020 Ford Glory Lease.

## **(C) THE OTB LICENCE**

### **1. Date**

12 March 2020

### **2. Parties**

- (i) Legend Credit Limited, an indirect wholly-owned subsidiary of the Company, as licensee; and
- (ii) mReferral Corporation (HK) Limited, a company incorporated in the British Virgin Islands with limited liability and indirectly held as to 50% by Midland Holdings and 50% by CK Hutchison, as licensor. The principal business activity of mReferral Corporation (HK) Limited is provision of mortgage referral services and the principal business activities of CK Hutchison group are ports and related services, retail, infrastructure, energy, and telecommunications.

### **3. Nature of Licence**

Licence to share the use of the 17th Floor of Overseas Trust Bank Building, No. 160 Gloucester Road, Hong Kong and exclusively occupy certain numbers of seating accommodations for general office work in connection with the business of the licensee

### **4. Term**

Two years from 19 September 2019 to 18 September 2021 (both days inclusive)

### **5. Licence fee**

HK\$35,190 per month (exclusive of management fee, air-conditioning charges, Government rent and rates), payable in advance on the first day of each calendar month

An annual cap of HK\$123,000, HK\$431,000 and HK\$309,000 for the years ended/ending 31 December 2019, 2020 and 2021 was determined based on the estimated total licence fees payable by the Group and a reasonable buffer to cater for any minor licence fees adjustment for such respective period under the OTB Licence.

## **(D) THE 2018 FORD GLORY LEASE**

### **1. Date**

8 March 2018

### **2. Parties**

- (i) Teamway Group Limited, an indirect wholly-owned subsidiary of the Company, as landlord; and
- (ii) City First Limited, a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by Midland Holdings, as tenant. The principal business activity of City First Limited is leasing management.

### **3. Premises**

The Whole of 21st Floor, Ford Glory Plaza, No. 37 Wing Hong Street, Kowloon, Hong Kong

### **4. Term**

Two years from 19 March 2018 to 18 March 2020 (both days inclusive)

### **5. Rental**

HK\$207,000 per month (exclusive of management fee, air-conditioning charges, Government rent and rates), payable in advance on the first day of each calendar month

### **6. Rent-free period**

Nil

An annual cap of HK\$1,989,000, HK\$2,534,000 and HK\$545,000 for the years ended/ending 31 December 2018, 2019 and 2020 was determined based on the estimated total rentals received by the Group and a reasonable buffer to cater for any minor rentals adjustment for such period under the 2018 Ford Glory Lease.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE CAMBRIDGE COURT LEASE, THE 2020 FORD GLORY LEASE, THE OTB LICENCE AND THE 2018 FORD GLORY LEASE**

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, property investment, credit business and securities investment.

Midland Holdings is an investment holding company and the principal business activities of the Midland Group are provision of property agency services in Hong Kong, Macau and the PRC, property leasing, immigration consultancy services and money lending services.

The entering into of the Cambridge Court Lease, the 2020 Ford Glory Lease and the 2018 Ford Glory Lease would generate rental income to the Group and the premises under the OTB Licence is used as office. The terms of the Cambridge Court Lease, the 2020 Ford Glory Lease, the OTB Licence and the 2018 Ford Glory Lease including the amount of rental or licence fee were separately determined after arm's length negotiations between the respective parties with reference to the prevailing market conditions.

The Directors (including the independent non-executive Directors) are of the view that the Cambridge Court Lease, the 2020 Ford Glory Lease, the OTB Licence and the 2018 Ford Glory Lease were entered into on normal commercial terms, in the ordinary and usual course of business of the Group and that their terms set out above are fair and reasonable and in the interests of the Company and the shareholders as a whole.

Mr. WONG Kin Yip, Freddie, Ms. WONG Ching Yi, Angela and Mr. HO Kwan Tat, Ted, each being a director of the Company and Midland Holdings, were taken to be materially interested in the transactions and have abstained from voting at the Board meeting on the relevant resolution.

## **LISTING RULES IMPLICATIONS**

Midland Holdings is a substantial shareholder of the Company. Since Midland Corporate Leasing and City First Limited are indirect wholly-owned subsidiaries of Midland Holdings and mReferral Corporation (HK) Limited is indirectly held as to 50% by Midland Holdings, they are associates of Midland Holdings and connected persons of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Cambridge Court Lease, the 2020 Ford Glory Lease, the OTB Licence and the 2018 Ford Glory Lease constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Each of the Cambridge Court Lease, the 2020 Ford Glory Lease, the OTB Licence and the 2018 Ford Glory Lease is fully exempt from shareholders' approval, annual review and all disclosure requirements in Chapter 14A of the Listing Rules. If the Cambridge Court Lease, the 2020 Ford Glory Lease, the OTB Licence and the 2018 Ford Glory Lease are aggregated, the total rentals and licence fees receivable and payable thereunder within a 12-month period will exceed HK\$3,000,000 and the applicable percentage ratios (other than the profits ratio) in respect thereof will be more than 0.1% but less than 5%. Accordingly, the Cambridge Court Lease, the 2020 Ford Glory Lease, the OTB Licence and the 2018 Ford Glory Lease if aggregated are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Cambridge Court Lease, the 2020 Ford Glory Lease, the OTB Licence and the 2018 Ford Glory Lease were not made under any master agreement, were negotiated and concluded at the different times, involved different assets, in the nature of either income or expense and were in line with the principal business of the Group.

## DEFINITIONS

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

“2018 Ford Glory Lease”	the tenancy agreement dated 8 March 2018 entered into between Teamway Group Limited and City First Limited, details of which are set out under the section headed “The 2018 Ford Glory Lease” in this announcement
“2020 Ford Glory Lease”	the tenancy agreement dated 18 March 2020 entered into between Teamway Group Limited and City First Limited, details of which are set out under the section headed “The 2020 Ford Glory Lease” in this announcement
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bright Eastern”	Bright Eastern Limited, an indirect wholly-owned subsidiary of the Company
“Cambridge Court Lease”	the tenancy agreement dated 14 July 2020 entered into between Bright Eastern and Midland Corporate Leasing, details of which are set out under the section headed “The Cambridge Court Lease” in this announcement
“CK Hutchison”	CK Hutchison Holdings Limited (Stock Code: 001), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“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 meaning ascribed to it under the Listing Rules
“Director(s)”	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 PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Midland Corporate Leasing”	Midland Corporate Leasing (XV) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Midland Holdings
“Midland Holdings”	Midland Holdings Limited (Stock Code: 1200), a company incorporated in Bermuda with limited liability and a substantial shareholder of the Company, the shares of which are listed on the main board of the Stock Exchange
“Midland Group”	Midland Holdings and its subsidiaries
“OTB Licence”	the sharing agreement dated 12 March 2020 entered into between Legend Credit Limited and mReferral Corporation (HK) Limited, details of which are set out under the section headed “The OTB Licence” in this announcement
“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
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

By Order of the Board  
**Midland IC&I Limited**  
**MUI Ngar May, Joel**  
*Company Secretary*

Hong Kong, 14 July 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.*