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DISCLOSEABLE TRANSACTIONS IN RELATION TO THE ACQUISITIONS OF THE PROPERTIES

THE ACQUISITIONS

The Board is pleased to announce that on 9 June 2021, the Property Purchasers, both being wholly-owned subsidiaries of the Company, the Property Sellers and the Agent have entered into the Property Acquisition Agreements respectively, pursuant to which, the Property Purchasers have agreed to acquire, and the Property Sellers have agreed to sell, the Properties respectively.

The aggregate consideration for the Acquisitions is HK\$30,000,000, which will be settled in cash by stages.

The Property Acquisition Agreements are inter-conditional and completion of the Property Acquisition Agreements shall take place simultaneously.

LISTING RULES IMPLICATIONS

Given that the Property Acquisition Agreements are inter-conditional and the Property Sellers are both ultimately beneficially owned by a same individual, the Acquisitions are aggregated pursuant to Rule 14.22 of the Listing Rules. 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 of the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

(A) INTRODUCTION

The Board is pleased to announce that on 9 June 2021, the Property Purchasers, both being wholly-owned subsidiaries of the Company, the Property Sellers and the Agent have entered into the Property Acquisition Agreements respectively, pursuant to which, the Property Purchasers have agreed to acquire, and the Property Sellers have agreed to sell, the Properties respectively.

The Property Acquisition Agreements are inter-conditional and completion of the Property Acquisition Agreements shall take place simultaneously.

** For identification purpose only*

(B) THE ACQUISITIONS

(1) The Property A Acquisition Agreement

Date

9 June 2021

Parties

- (i) the Property A Purchaser;
- (ii) the Property A Seller; and
- (iii) the Agent

Asset to be acquired

Pursuant to the Property A Acquisition Agreement, the Property A Purchaser has agreed to acquire, and the Property A Seller has agreed to sell, the Property A. The Property A consists of Shop C (No. 280 Ma Tau Wai Road) on Ground Floor, On Chun Mansion, Nos. 278, 278A, 280 and 280A Ma Tau Wai Road, Kowloon, Hong Kong with a gross floor area of approximately 700 sq. ft. The Property A is currently leased to an independent third party under a tenancy agreement with a term of two years commencing from 1 May 2021 and expiring on 30 April 2023 at a monthly rent of HK\$18,000 for the year from 1 May 2021 to 30 April 2022 and HK\$20,000 for the year from 1 May 2022 to 30 April 2023 (exclusive of management fee and government rates), with security deposit of HK\$54,000 and option to renew for one year at the prevailing market rent. It is intended that the Property A will continue to be leased out for rental income after completion of the Acquisitions.

Consideration of the Property A

The consideration of the Property A is HK\$15,000,000 after arm's length negotiation between the Property A Purchaser and the Property A Seller having taken into account, among others, (i) the prevailing market conditions and the estimated market value of the Property A and (ii) the prospects of the Property A.

The consideration of the Property A will be settled in cash by stages using internal resources of the Group as follows: (i) HK\$600,000 upon the signing of the Property A Acquisition Agreement; (ii) HK\$900,000 on or before 23 June 2021; and (iii) the balance of HK\$13,500,000 upon completion of the Acquisitions, which shall take place on or before 31 August 2021.

(2) The Property B Acquisition Agreement

Date

9 June 2021

Parties

- (i) the Property B Purchaser;
- (ii) the Property B Seller; and
- (iii) the Agent

Asset to be acquired

Pursuant to the Property B Acquisition Agreement, the Property B Purchaser has agreed to acquire, and the Property B Seller has agreed to sell, the Property B. The Property B consists of Flat D (No. 280A Ma Tau Wai Road) on Ground Floor, On Chun Mansion, Nos. 278, 278A, 280 and 280A Ma Tau Wai Road, Kowloon, Hong Kong with a gross floor area of approximately 700 sq. ft. The Property B is currently leased to an independent third party under a tenancy agreement with a term of three years commencing from 16 September 2018 and expiring on 15 September 2021 at a monthly rent of HK\$17,500 with security deposit of HK\$52,500. It is intended that the Property B will continue to be leased out for rental income after completion of the Acquisitions.

Consideration of the Property B

The consideration of the Property B is HK\$15,000,000 after arm's length negotiation between the Property B Purchaser and the Property B Seller having taken into account, among others, (i) the prevailing market conditions and the estimated market value of the Property B and (ii) the prospects of the Property B.

The consideration of the Property B will be settled in cash by stages using internal resources of the Group as follows: (i) HK\$600,000 upon the signing of the Property B Acquisition Agreement; (ii) HK\$900,000 on or before 23 June 2021; and (iii) the balance of HK\$13,500,000 upon completion of the Acquisitions, which shall take place on or before 31 August 2021.

(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, properties investment, credit business and securities investment in Hong Kong.

The Acquisitions are in line with the Group's strategy and represent an expansion of the Group's existing property investment business. It is expected that the Properties will continue to be leased out for rental income and will provide an additional and stable rental income to the Group. The Acquisitions would allow the Group to further broaden the income source and 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 Property Acquisition Agreements are on normal commercial terms and are fair and reasonable and the entering into of the Property Acquisition Agreements is in the interests of the Company and the Shareholders as a whole.

(D) INFORMATION OF THE PARTIES

The Property Purchasers, both being wholly-owned subsidiaries of the Company, are companies incorporated in Hong Kong with limited liability and their principal business activity is property investment.

The Agent, a wholly-owned subsidiary of the Company, is a company incorporated in Hong Kong with limited liability and is principally engaged in provision of property agency services in Hong Kong.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Property Sellers and their respective ultimate beneficial owners are independent third parties of the Company and its connected persons; (ii) the Property Sellers are companies incorporated in Hong Kong with limited liability; and (iii) the Property Sellers are principally engaged in trading.

(E) LISTING RULES IMPLICATIONS

Given that the Property Acquisition Agreements are inter-conditional and the Property Sellers are both ultimately beneficially owned by a same individual, the Acquisitions are aggregated pursuant to Rule 14.22 of the Listing Rules. 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 of the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

(F) DEFINITIONS

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

“Acquisitions”	the acquisitions of the Properties pursuant to the Property Acquisition Agreements
“Agent”	Midland Realty (Shops II) Limited, a wholly-owned subsidiary of the Company, a company incorporated in Hong Kong with limited liability
“Board”	the board of Directors
“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)
“connected person(s)”	has the meaning ascribed to it under 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 Property A and the Property B
“Property A”	Shop C (No. 280 Ma Tau Wai Road) on Ground Floor, On Chun Mansion, Nos. 278, 278A, 280 and 280A Ma Tau Wai Road, Kowloon, Hong Kong
“Property B”	Flat D (No. 280A Ma Tau Wai Road) on Ground Floor, On Chun Mansion, Nos. 278, 278A, 280 and 280A Ma Tau Wai Road, Kowloon, Hong Kong
“Property A Acquisition Agreement”	the provisional property acquisition agreement entered into on 9 June 2021 among the Property A Purchaser, the Property A Seller and the Agent

“Property B Acquisition Agreement”	the provisional property acquisition agreement entered into on 9 June 2021 among the Property B Purchaser, the Property B Seller and the Agent
“Property Acquisition Agreements”	collectively, the Property A Acquisition Agreement and the Property B Acquisition Agreement
“Property A Purchaser”	Queenswick Development Limited, a wholly-owned subsidiary of the Company, a company incorporated in Hong Kong with limited liability
“Property B Purchaser”	Harvest Dynamic Limited, a wholly-owned subsidiary of the Company, a company incorporated in Hong Kong with limited liability
“Property Purchasers”	collectively, the Property A Purchaser and the Property B Purchaser
“Property A Seller”	LE Chateau Anne Trading Limited, a company incorporated in Hong Kong with limited liability, its ultimate beneficial owners are Law Mau Tuong Paul and Yu Mei Yuk Daisy
“Property B Seller”	Double Ace Limited, a company incorporated in Hong Kong with limited liability, its sole ultimate beneficial owner is Law Mau Tuong Paul
“Property Sellers”	collectively, the Property A Seller and the Property B Seller
“Share(s)”	the ordinary share(s) with nominal value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of 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
MUI Ngar May, Joel
Company Secretary

Hong Kong, 9 June 2021

As at the date of this announcement, the Board comprises five 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 two are Independent Non-Executive Directors, namely Mr. SHA Pau, Eric and Mr. HO Kwan Tat, Ted.