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DISCLOSEABLE TRANSACTIONS
(I) TERMINATION OF THE ACQUISITION OF
THE ENTIRE EQUITY INTEREST IN THE TARGET COMPANY
AND
(II) ACQUISITION OF THE PROPERTY

**TERMINATION OF THE ACQUISITION OF THE ENTIRE EQUITY INTEREST
IN THE TARGET COMPANY**

Reference is made to the Announcement. On 2 December 2021, the Purchaser, the Vendor and the Target Company have entered into the Cancellation Agreement whereby the parties have mutually agreed to cancel the transactions contemplated under the Share Sale Agreement, and the Vendor and the Purchaser shall be released and discharged from any further obligation or performance thereof. Simultaneously with the signing of the Cancellation Agreement, the Vendor has procured the Target Company as vendor to enter into the Property Agreement, and the deposits paid pursuant to the Share Sale Agreement shall be transferred as deposits for the Property Acquisition in accordance with the terms and conditions contained in the Property Agreement.

ACQUISITION OF THE PROPERTY

Simultaneously with the signing of the Cancellation Agreement, on 2 December 2021, the Purchaser and the Property Seller have entered into the Property Agreement, pursuant to which, the Purchaser has agreed to acquire, and the Property Seller has agreed to sell, the Property at a consideration of HK\$25,900,000.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Property Acquisition exceeds 5% and is less than 25%, the Property Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

TERMINATION OF THE ACQUISITION OF THE ENTIRE EQUITY INTEREST IN THE TARGET COMPANY

Reference is made to the Announcement.

As disclosed in the Announcement, subject to the fulfillment of the conditions precedent as set out in the Share Sale Agreement, the completion of the Share Acquisition shall take place on or before 29 October 2021 (or such later date as the Vendor and the Purchaser may agree in writing). As some conditions precedent as set out in the Share Sale Agreement have not been fulfilled, the Purchaser elected to enter into an agreement for sale and purchase for the direct purchase of the Property at the same consideration of HK\$25,900,000, and a cancellation agreement to cancel the transactions contemplated under the Share Sale Agreement. The Company had been in continuous negotiations since late October 2021 with the Vendor and the Target Company in relation to the terms and conditions of the termination of the Share Sale Agreement and the Property Agreement.

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Property Agreement

Date

2 December 2021

Parties

- (i) the Purchaser; and
- (ii) the Property Seller

Asset to be acquired

Pursuant to the Property Agreement, the Purchaser has agreed to acquire, and the Property Seller has agreed to sell, the Property which consists of Shop D on Ground Floor, Wah Fat Mansion, Nos. 1M, 1N & 1P-1T Tung Choi Street, Kowloon, Hong Kong with a gross floor area of approximately 800 sq. ft. The Property is currently leased to an Independent Third Party under a tenancy agreement with a term of two years from 2 May 2020 to 1 May 2022 (both days inclusive) at a monthly rent of HK\$48,000 (exclusive of management fee and government rates), with an option to renew by such tenant for a period of four years from 2 May 2022 to 1 May 2026 (both days inclusive) at a monthly rent of HK\$54,800. It is intended that the Property will continue to be leased out for rental income after completion of the Property Acquisition.

Consideration of the Property Acquisition

The consideration of the Property Acquisition is HK\$25,900,000, which is the same as the consideration under the Share Sale Agreement. Such consideration was determined after arm's length negotiation between the Purchaser, the Vendor and the Property Seller having taken into account, among others, (i) the then prevailing market conditions and the estimated market value of the Property and (ii) the prospects of the Property.

The consideration of the Property Acquisition will be settled using internal resources and/or external financing of the Group by two instalments as follows: (i) HK\$2,590,000, being the deposits to be transferred and released under the Share Sale Agreement; and (ii) the balance of HK\$23,310,000 upon completion of the Property Acquisition, which shall take place on or before 3 January 2022.

Reasons for and Benefits of the Property Acquisition

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 Property Acquisition is in line with the Group's strategy and represents an expansion of the Group's existing property investment business. It is expected that the Property will continue to be leased out for rental income and will provide an additional and stable source of rental income to the Group. The Property Acquisition would allow the Group to further broaden the income source and to enjoy the possible capital appreciation of the Property.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Property Agreement are on normal commercial terms and are fair and reasonable and the entering into of the Property Agreement is in the interests of the Company and its shareholders as a whole.

Information of the Parties

The Purchaser, a wholly-owned subsidiary of the Company, is a company incorporated in Hong Kong with limited liability and its principal business activity is property investment.

The Property Seller is a company incorporated in Hong Kong with limited liability, and is principally engaged in investment holding.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Property Seller and its ultimate beneficial owner are Independent Third Parties.

Listing Rules Implications

As one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Property Acquisition exceeds 5% and is less than 25%, the Property Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agent”	Midland Realty (Shops II) Limited, a wholly-owned subsidiary of the Company, a company incorporated in Hong Kong with limited liability
“Announcement”	the announcement of the Company dated 18 August 2021 in relation to the acquisition of the entire equity interest in the Target Company
“Board”	the board of Directors
“Cancellation Agreement”	the cancellation agreement entered into on 2 December 2021 among the Purchaser, the Vendor and the Target Company
“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)
“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
“Independent Third Party(ies)”	person(s) or company(ies) which is/are third party(ies) independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Property”	Shop D on Ground Floor, Wah Fat Mansion, Nos. 1M, 1N & 1P-1T Tung Choi Street, Kowloon, Hong Kong
“Property Acquisition”	the acquisition of the Property pursuant to the Property Agreement
“Property Agreement”	the agreement for sale and purchase of the Property entered into on 2 December 2021 between the Purchaser and the Property Seller
“Purchaser”	Well Lucky International Limited, a wholly-owned subsidiary of the Company, a company incorporated in Hong Kong with limited liability
“sq. ft.”	square feet
“Share Acquisition”	the acquisition of the entire equity interest in the Target Company pursuant to the Share Sale Agreement
“Share Sale Agreement”	the provisional agreement for sale and purchase of the Target Company entered into on 18 August 2021 among the Purchaser, the Vendor and the Agent
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company” or “Property Seller”	Kohan Investment Limited, a company incorporated in Hong Kong with limited liability, the registered and beneficial owner of the Property, and its sole ultimate beneficial owner being the Vendor
“Vendor”	Ms. CHAN Pui Ying
“%”	per cent.

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

Hong Kong, 2 December 2021

As at the date of this announcement, the Board comprises seven Directors, of which four are Executive Directors, namely Mr. WONG Kin Yip, Freddie, Ms. WONG Ching Yi, Angela, Mr. LO Chin Ho, Tony and Mr. WONG Alexander Yiu Ming; and three are Independent Non-Executive Directors, namely Mr. SHA Pau, Eric, Mr. HO Kwan Tat, Ted and Mr. WONG Chung Kwong.