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**DISCLOSEABLE TRANSACTION  
ACQUISITION OF THE ENTIRE EQUITY INTEREST  
IN THE TARGET COMPANY**

**THE ACQUISITION**

The Board is pleased to announce that on 17 December 2021, the Purchaser, a wholly-owned subsidiary of the Company, the Vendors and the Agent have entered into the Agreement, pursuant to which, the Purchaser has agreed to acquire and take up the assignment of, and the Vendors have agreed to sell and assign, the Sale Share and the Sale Debt at a consideration of HK\$48,800,000. Upon completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Company.

**LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 5% and is less than 25%, the 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.

**(A) INTRODUCTION**

The Board is pleased to announce that on 17 December 2021, the Purchaser, a wholly-owned subsidiary of the Company, the Vendors and the Agent have entered into the Agreement, pursuant to which, the Purchaser has agreed to acquire and take up the assignment of, and the Vendors have agreed to sell and assign, the Sale Share and the Sale Debt at a consideration of HK\$48,800,000. Upon completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Company.

## **(B) THE ACQUISITION**

### **The Agreement**

#### **Date**

17 December 2021

#### **Parties**

- (i) the Purchaser;
- (ii) the Vendors; and
- (iii) the Agent

#### **Assets to be acquired**

Pursuant to the Agreement, the Purchaser has agreed to acquire and take up the assignment of, and the Vendors have agreed to sell and assign, the Sale Share and the Sale Debt. The principal asset of the Target Company is the entire interest in the Properties located at Ground Floor, No. 224 Queen's Road West, Hong Kong and Cockloft, No. 224 Queen's Road West, Hong Kong, with an aggregate gross floor area of approximately 2,300 sq. ft. The Properties are currently self-used by the Vendors as restaurant, and vacant possession of the same will be delivered upon completion.

#### **Consideration of the Acquisition**

The consideration of the Acquisition is HK\$48,800,000, which will be settled using internal resources and/or external financing of the Group by three instalments as follows: (i) HK\$2,000,000 upon the signing of the Agreement; (ii) HK\$2,880,000 on or before 18 January 2022; and (iii) the balance of HK\$43,920,000 upon completion of the Acquisition, which shall take place on or before 12 April 2022 (or such later date as the Vendors and the Purchaser may agree in writing).

The consideration was determined after arm's length negotiation between the Purchaser and the Vendors having taken into account, among others, (i) the prevailing market conditions, (ii) the estimated market value of the Properties, and (iii) the prospects of the Properties.

#### **Formal sale and purchase agreement**

The Vendors and the Purchaser shall negotiate in good faith and use all their respective reasonable endeavours to enter into a formal agreement for sale and purchase on or before 18 January 2022. In the event that the Vendors and the Purchaser shall fail to reach agreement on the terms of the formal agreement for sale and purchase on or before 18 January 2022, the Purchaser shall be entitled to cancel the Agreement whereupon all the deposits shall be returned by the Vendors to the Purchaser without interest, and the Vendors and the Agent shall have no claim against the Purchaser.

## **Conditions Precedent**

Completion of the Acquisition is conditional upon and subject to satisfaction of the following conditions:

- (i) the Purchaser having completed its due diligence review on the business, financial, legal and every aspects of the Target Company and being satisfied with the results thereof;
- (ii) the Vendors having procured the Target Company to give and prove title to the Properties in accordance with Sections 13A and 13 of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong);
- (iii) the Vendors are the legal and beneficial owners of the Sale Share (as at the date of the Agreement and at completion of the Acquisition) and the Sale Debt (as at completion of the Acquisition);
- (iv) the Target Company is the sole legal and beneficial owner of the Properties; and
- (v) all the representations and warranties given by the Vendors in the Agreement being true and correct and remaining so from the date of the Agreement up to completion of the Acquisition.

## **Completion**

Subject to the fulfillment of the conditions precedent as set out in the Agreement (or waived by the Purchaser), the completion of the Acquisition shall take place on or before 12 April 2022.

## **(C) INFORMATION OF THE TARGET COMPANY**

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

As disclosed above, the principal asset of the Target Company is the entire interest in the Properties.

As the Company does not have access to the financial information on the Target Company as at the date of this announcement, the Company will make a further announcement which contains all the prescribed information under Rules 14.58(6) & (7) of the Listing Rules which has not been disclosed in this announcement as soon as such information is available to the Company and in any event, no later than the date of completion of the Acquisition.

Upon completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Company. The financial results of the Target Company will be consolidated into the Group's financial statements.

## **(D) REASONS FOR AND BENEFITS OF THE ACQUISITION**

The principal business 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 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 Properties will be leased out for rental income and will provide an additional and stable source of rental income to the Group. The Acquisition 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 Agreement are on normal commercial terms and are fair and reasonable and the entering into of the Agreement is in the interests of the Company and its shareholders as a whole.

## **(E) 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 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.

The Vendors are three individuals and the legal and beneficial owners of the Sale Share and the Sale Debt.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors are Independent Third Parties.

## **(F) LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 5% and is less than 25%, the 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.

## **(G) DEFINITIONS**

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

“Acquisition”	the acquisition of the entire equity interest in the Target Company pursuant to the Agreement
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“Agent”	Midland Realty (Shops II) Limited, a wholly-owned subsidiary of the Company, a company incorporated in Hong Kong with limited liability
“Agreement”	the provisional agreement for sale and purchase entered into on 17 December 2021 among the Purchaser, the Vendors and the Agent
“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)
“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
“Properties”	the premises located at Ground Floor, No. 224 Queen’s Road West, Hong Kong and Cockloft, No. 224 Queen’s Road West, Hong Kong
“Purchaser”	King Castle Enterprises Limited, a wholly-owned subsidiary of the Company, a company incorporated in Hong Kong with limited liability
“Sale Debt”	the right to all outstanding debts owing by the Target Company to the Vendors and their associates (if any) as at the date of completion of the Acquisition on the terms and subject to the conditions in the Agreement
“Sale Share”	the entire issued share capital of the Target Company
“sq. ft.”	square feet

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Wise Stand Limited, a company incorporated in Hong Kong with limited liability, the sole registered and beneficial owner of the Properties
“Vendors”	LAU Chung Choi, CHEUNG Man Chi and LAU Kong Fung, the legal and beneficial owners of the Sale Share and the Sale Debt
“%”	per cent.

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

Hong Kong, 17 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.*