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COMPLETION OF DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE EQUITY INTEREST IN THE TARGET COMPANY

Reference is made to the announcement of Midland IC&I Limited (the “**Company**”) dated 17 December 2021 in relation to the acquisition of the entire equity interest in the target company (the “**Announcement**”). Unless otherwise specified, capitalised terms used in this announcement have the same meanings as those defined in the Announcement.

The Board is pleased to announce that completion of the Acquisition took place on 12 April 2022. Upon completion of the Acquisition, the Target Company becomes a wholly-owned subsidiary of the Company. The financial results of the Target Company will be consolidated into the Group’s financial statements.

INFORMATION OF THE TARGET COMPANY

The Board would like to provide the following financial information extracted from the audited financial statements of the Target Company for the years ended 31 March 2020 and 2021 as provided by the Vendors in compliance with Rules 14.58(6) & (7) of the Listing Rules:

| | For the year ended 31 March | |
|-----------------------|-----------------------------|---------|
| | 2021 | 2020 |
| | HK\$ | HK\$ |
| Revenue | 836,900 | 630,000 |
| Net profit before tax | 323,791 | 8,987 |
| Net profit after tax | 313,982 | 8,987 |

As at 31 March 2021, the audited net asset and total assets of the Target Company were HK\$1,179,543 and HK\$7,128,479, respectively.

Based on the audited financial statements of the Target Company for the year ended 31 March 2021 as provided by the Vendors, the estimated amount of Sale Debt as at 31 March 2021 was approximately HK\$5,800,000, representing the total amounts due to directors of the Target Company and interest-bearing borrowings.

The Properties were self-used by one of the Vendors (being the sole shareholder and director of the tenant) as restaurant at HK\$70,000 per month prior to completion of the Acquisition, and vacant possession of the Properties has been delivered upon completion.

CONSIDERATION OF THE ACQUISITION

In relation to the consideration of the Acquisition, the Directors have taken into account (i) the prevailing properties market conditions, in particular, the prevailing market price and recent transactions of similar properties located around the vicinity of the Properties; (ii) the valuation of the Properties of approximately HK\$48,000,000 as at 16 December 2021 prepared by an independent valuer, Jones Lang LaSalle; and (iii) the possible capital appreciation of the Properties in the future, given the up-trending and positive sentiment of investment in retail premises in daily necessity districts.

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

Hong Kong, 12 April 2022

As at the date of this announcement, the Board comprises eight 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 four are Independent Non-Executive Directors, namely Mr. SHA Pau, Eric, Mr. HO Kwan Tat, Ted, Mr. WONG Chung Kwong and Mr. LI Wai Keung.