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**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
THE ACQUISITION OF THE PROPERTY**

**THE ACQUISITION**

The Board is pleased to announce that on 13 April 2022, the Property Purchaser, a wholly-owned subsidiary of the Company, the Property Seller and the Agent have entered into the Property Acquisition Agreement, pursuant to which, the Property Purchaser has agreed to acquire, and the Property Seller has agreed to sell, the Property at a consideration of HK\$21,500,000.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but 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.

**INTRODUCTION**

The Board is pleased to announce that on 13 April 2022, the Property Purchaser, a wholly-owned subsidiary of the Company, the Property Seller and the Agent have entered into the Property Acquisition Agreement, pursuant to which, the Property Purchaser has agreed to acquire, and the Property Seller has agreed to sell, the Property.

## **THE ACQUISITION**

### **The Property Acquisition Agreement**

#### *Date*

13 April 2022

#### *Parties*

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

#### *Asset to be acquired*

Pursuant to the Property Acquisition Agreement, the Property Purchaser has agreed to acquire, and the Property Seller has agreed to sell, the Property. The Property consists of Shop A1B on Ground Floor, Tai Fu Building, Nos. 6-20 Tai Tsun Street, Nos. 129-137 Tai Kok Tsui Road, Cosmopolitan Estate, Kowloon, Hong Kong with a gross floor area of approximately 570 sq. ft. The Property is currently leased to an Independent Third Party under a tenancy agreement with a term of three years from 1 September 2019 to 31 August 2022 (both days inclusive) at a monthly rent of HK\$65,000 (inclusive of government rent, rates and management fees). It is intended that the Property will continue to be leased out for rental income after completion of the Acquisition.

#### *Consideration of the Acquisition*

The consideration of the Acquisition is HK\$21,500,000, which was determined after arm's length negotiation between the Property Purchaser and the Property Seller having taken into account, among others, (i) the prevailing property market conditions, in particular, the prevailing market price and recent transactions of similar properties located around the vicinity of the Property; (ii) the valuation of the Property of approximately HK\$25,000,000 as at 12 April 2022 provided by an independent property valuer; and (iii) the possible capital appreciation of the Property in the future.

The consideration of the Acquisition will be settled using internal resources and/or external financing of the Group by three instalments as follows: (i) HK\$800,000 upon the signing of the Property Acquisition Agreement; (ii) HK\$1,350,000 on or before 29 April 2022; and (iii) the balance of HK\$19,350,000 upon completion of the Acquisition, which shall take place on or before 15 July 2022.

## **REASONS FOR AND BENEFITS OF THE 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 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 Acquisition will allow the Group to further broaden its 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 Acquisition Agreement are on normal commercial terms and are fair and reasonable and the entering into of the Property Acquisition Agreement is in the interests of the Company and its shareholders as a whole.

## **INFORMATION OF THE PARTIES**

The Property 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 the provision of property agency services in Hong Kong.

The Property Seller is a company incorporated in Hong Kong with limited liability, and its principal business activity is property holding.

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

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but 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.

## DEFINITIONS

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

“Acquisition”	the acquisition of the Property pursuant to the Property Acquisition Agreement
“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)
“Directors”	the directors 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 A1B on Ground Floor, Tai Fu Building, Nos. 6-20 Tai Tsun Street, Nos. 129-137 Tai Kok Tsui Road, Cosmopolitan Estate, Kowloon, Hong Kong
“Property Acquisition Agreement”	the provisional agreement for sale and purchase of the Property entered into on 13 April 2022 among the Property Purchaser, the Property Seller and the Agent

“Property Purchaser”	Evergold Development Limited, a wholly-owned subsidiary of the Company, a company incorporated in Hong Kong with limited liability
“Property Seller”	Golden Feel Limited, a company incorporated in Hong Kong with limited liability, its ultimate beneficial owner is CHUNG Chun Wing
“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, 13 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.*