



**MIDLAND IC&I LIMITED**

**美聯工商舖有限公司\***

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8090)

THIRD QUARTERLY REPORT | 2007



\* For identification purposes only

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

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*This report, for which the directors of Midland IC&I Limited (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to Midland IC&I Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

## CORPORATE INFORMATION

### Board of Directors

#### Executive Directors

Mr. WONG Tsz Wa, Pierre  
*(Chief Executive Officer)*  
Ms. IP Kit Yee, Kitty *(Managing Director)*  
Ms. WONG Ching Yi, Angela

#### Non-executive Director

Mr. TSANG Link Carl, Brian

#### Independent Non-executive Directors

Mr. KOO Fook Sun, Louis  
Mr. SHA Pau, Eric  
Mr. YING Wing Cheung, William

#### Audit Committee

Mr. KOO Fook Sun, Louis  
*(committee chairman)*  
Mr. SHA Pau, Eric  
Mr. YING Wing Cheung, William

#### Remuneration Committee

Ms. IP Kit Yee, Kitty *(committee chairlady)*  
Mr. KOO Fook Sun, Louis  
Mr. SHA Pau, Eric  
Mr. YING Wing Cheung, William

#### Nomination Committee

Ms. IP Kit Yee, Kitty *(committee chairlady)*  
Mr. KOO Fook Sun, Louis  
Mr. SHA Pau, Eric  
Mr. YING Wing Cheung, William

#### Company Secretary

Ms. YUEN Wing Kwan, Annie

#### Qualified Accountant

Mr. SUM Yan Ning, Raymond

#### Compliance Officer

Ms. IP Kit Yee, Kitty

#### Authorised Representatives

Ms. IP Kit Yee, Kitty  
Ms. YUEN Wing Kwan, Annie

#### Registered Office

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### Head Office and Principal Place of Business

Room 1801A  
18th Floor, One Grand Tower  
639 Nathan Road, Mongkok  
Kowloon, Hong Kong

#### Auditors

PricewaterhouseCoopers  
22nd Floor, Prince's Building  
Central, Hong Kong

#### Principal Bankers

Agricultural Bank of China  
Fubon Bank (Hong Kong) Limited  
The Hongkong and Shanghai Banking  
Corporation Limited  
UBS AG

#### Hong Kong Legal Advisers

Lu, Lai & Li  
20th Floor  
Gloucester Tower  
The Landmark  
11 Pedder Street  
Central, Hong Kong

#### Cayman Islands Legal Advisers

Conyers Dill & Pearman, Cayman  
Suite 2901, One Exchange Square  
8 Connaught Place  
Central, Hong Kong

#### Principal Share Registrar and Transfer Office

Bank of Bermuda (Cayman) Limited  
2nd Floor, Strathvale House  
North Church Street  
P.O. Box 513  
Grand Cayman KY1-1106  
Cayman Islands

#### Hong Kong Branch Share Registrar and Transfer Office

Tricor Tengis Limited  
26th Floor, Tesbury Centre  
28 Queen's Road East  
Hong Kong

#### Website Address

[www.midlandici.com.hk](http://www.midlandici.com.hk)

#### Stock Code

8090



## QUARTERLY RESULTS

The Board of Directors (the “Board” or the “Directors”) of Midland IC&I Limited (the “Company”) is pleased to present the financial information of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and nine months ended 30th September 2007 together with comparative figures for the corresponding periods ended 30th September 2006 as follows:

### Consolidated Income Statements (Unaudited)

For the three months and nine months ended 30th September 2007

	Note	Three months ended 30th September		Nine months ended 30th September	
		2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Turnover	3	<b>85,229</b>	63,010	<b>256,087</b>	216,945
Other income	4	<b>1,668</b>	1,230	<b>4,883</b>	3,564
Staff costs		<b>(43,107)</b>	(33,791)	<b>(126,121)</b>	(107,495)
Depreciation and amortisation costs		<b>(776)</b>	(1,287)	<b>(2,649)</b>	(3,935)
Other operating costs		<b>(27,638)</b>	(19,798)	<b>(91,387)</b>	(83,296)
Operating profit		<b>15,376</b>	9,364	<b>40,813</b>	25,783
Finance costs		<b>(1,501)</b>	–	<b>(1,953)</b>	–
Profit before taxation		<b>13,875</b>	9,364	<b>38,860</b>	25,783
Taxation expenses	5	<b>(2,715)</b>	(2,366)	<b>(6,543)</b>	(6,043)
Profit for the periods		<b>11,160</b>	6,998	<b>32,317</b>	19,740
Attributable to:					
Equity holders		<b>11,148</b>	7,042	<b>32,504</b>	19,942
Minority interests		<b>12</b>	(44)	<b>(187)</b>	(202)
		<b>11,160</b>	6,998	<b>32,317</b>	19,740
Earnings per share	6	<b>HK cent</b>	HK cent	<b>HK cent</b>	HK cent
Basic		<b>0.09</b>	0.05	<b>0.25</b>	0.15
Diluted		<b>0.09</b>	0.05	<b>0.25</b>	0.15
Dividend	7	–	–	–	–



## NOTES TO THE FINANCIAL INFORMATION

### 1. General information

Midland IC&I Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands and listed on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal office is Room 1801A, 18th Floor, One Grand Tower, 639 Nathan Road, Mongkok, Kowloon, Hong Kong.

On 6th June 2007, the Company completed the acquisition of the entire interest of Ketanfall Group Limited (“Ketanfall”), a holding company of a group of companies principally engaged in the business of industrial and commercial (office and shop) property brokerage in Hong Kong, from an indirect wholly-owned subsidiary of Midland Holdings Limited (“Midland”), the ultimate holding company of the Company, for a consideration of HK\$640 million (the “Acquisition”), which was satisfied by (i) the issuance of convertible notes by the Company in the principal amount of HK\$540 million; and (ii) cash payment of HK\$100 million.

The principal activities of the Company and its subsidiaries (collectively the “Group”) are provision of property brokerage services in respect of industrial and commercial (office and shop) properties in Hong Kong and internet education services in Hong Kong and Mainland China.

### 2. Basis of preparation and principal accounting policies

#### i Basis of preparation

Since the Company and Ketanfall are ultimately owned by Midland immediately before and after the Acquisition, this financial information has been prepared using the principle of merger accounting, as prescribed in Hong Kong Accounting Guideline (“HKAG”) 5 “Merger Accounting for Common Control Combinations” issued by Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

For the purpose of the financial information, the unaudited consolidated income statements for the three months and nine months ended 30th September 2006 and 2007 have been prepared on a combined basis and include the financial information of the companies under common control and comprising the Group as if the current group structure had been in existence throughout the nine-month period or since the date when the combining companies first came under the control of the controlling shareholder, where it is a shorter period.

#### ii Principal accounting policies

The financial information has been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through profit and loss, which are carried at fair value, and also presented in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the HKICPA and the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”).



The accounting policies and methods of computations adopted for the preparation of the financial information are consistent with those used in the preparation of the Group's financial information for the fifteen-months period ended 31st December 2006, except for the following:

- (i) The Group has applied a number of new standards, amendments and interpretations that are effective for accounting periods beginning on or after 1st January 2007 as follows:

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Reporting and Impairment
HKFRS 7	Financial Instruments: Disclosures

The adoption of these new standards, amendments and interpretations does not have any significant impact on the results and financial position or changes in the accounting policies of the Group, with the exception of HKAS 1 (Amendment) and HKFRS 7 which require additional disclosures in the annual financial statements.

The Group has not early adopted HKFRS 8 "Operating Segments" that is relevant to its operation and mandatory for accounting period beginning or after 1st January 2009. HKFRS 8 requires the reporting of financial and descriptive information about the reportable segments on the basis of internal reports that are regularly reviewed by its management. The Group will apply HKFRS 8 for the accounting period beginning on 1st January 2009, but it does not expect application of this standard to have significant impact on its financial statements.

- (ii) In addition, the Group has adopted certain new accounting policies following the Acquisition, details of which are set out below:

- (a) Merger accounting for common control combination

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the perspective of controlling party. No amount is recognised in consideration for goodwill or excess of the interest of the acquirer in the net fair value of the identifiable assets of the acquiree, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the interest of controlling party.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealised gains on transactions between combining entities or businesses are eliminated on consolidation.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the period in which it is incurred.

(b) Convertible notes

Convertible notes that can be converted to equity share capital at the option of the holders, where the number of shares that would be issued on conversion and the value of the consideration that would be received do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

At initial recognition, the liability component of the convertible notes are determined using a market interest rate for an equivalent non-convertible notes. The remainder of the proceeds is allocated to the conversion option as equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost, calculated using the effective interest method, until extinguished on conversion or maturity. The equity component is recognised in equity, net of any tax effects.

When the note is converted, the relevant equity component and the carrying amount of the liability component at the time of conversion are transferred to share capital and share premium for the shares issued.

(c) Revenue recognition

Agency fee revenues from property brokerage are recognised when the relevant agreements become unconditional or irrevocable.



### 3. Turnover

	(Unaudited)			
	Three months ended 30th September		Nine months ended 30th September	
	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Agency fee	78,618	55,479	239,794	196,856
Internet education and related services	6,611	7,531	16,293	20,089
	<u>85,229</u>	<u>63,010</u>	<u>256,087</u>	<u>216,945</u>

### 4. Other income

	(Unaudited)			
	Three months ended 30th September		Nine months ended 30th September	
	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest	1,142	1,181	4,324	3,489
Sundries	526	49	559	75
	<u>1,668</u>	<u>1,230</u>	<u>4,883</u>	<u>3,564</u>

### 5. Taxation expenses

	(Unaudited)			
	Three months ended 30th September		Nine months ended 30th September	
	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current				
Hong Kong profits tax	3,673	3,502	8,353	6,322
Deferred	(958)	(1,136)	(1,810)	(279)
	<u>2,715</u>	<u>2,366</u>	<u>6,543</u>	<u>6,043</u>

Hong Kong profits tax has been provided at the rate of 17.5% on the estimated assessment profit arising in or derived from Hong Kong for the three months and nine months ended 30th September 2007.



## 6. Earnings per share

The calculation of basic and diluted earnings per share is based on the following:

	(Unaudited)			
	Three months ended		Nine months ended	
	30th September		30th September	
	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit attributable to equity holders	11,148	7,042	32,504	19,942
Effect on interest expense on convertible notes, net of tax	1,350	-	1,800	-
Profit for calculation of basic and diluted earnings per share	<u>12,498</u>	<u>7,042</u>	<u>34,304</u>	<u>19,942</u>
Weighted average number of shares in issue (thousands)	8,300,000	8,300,000	8,300,000	8,300,000
Effect on conversion of convertible notes (thousands)	<u>5,400,000</u>	<u>5,400,000</u>	<u>5,400,000</u>	<u>5,400,000</u>
Weighted average number of shares for calculation of basic earnings per share (thousands)	13,700,000	13,700,000	13,700,000	13,700,000
Effect on conversion of share options (thousands)	<u>47,469</u>	<u>-</u>	<u>51,631</u>	<u>-</u>
Weighted average number of shares for calculation of diluted earnings per share (thousands)	<u>13,747,469</u>	<u>13,700,000</u>	<u>13,751,631</u>	<u>13,700,000</u>
Basic earnings per share (HK cents)	0.09	0.05	0.25	0.15
Diluted earnings per share (HK cents)	<u>0.09</u>	<u>0.05</u>	<u>0.25</u>	<u>0.15</u>

Basic earnings per share is calculated by adjusting the weighted average number of shares to take effect of the convertible notes since the convertible notes are mandatory convertible. The convertible notes are assumed to have been converted into shares from the date when the combining entities first came under the control of the controlling party, and the net profit is adjusted to eliminate the interest expense less the tax effect.

In calculating the diluted earnings per share the weighted average number of shares is further adjusted to assume conversion of all dilutive potential shares from share options. Adjustment has been made to determine the number of shares that could have been acquired at fair value (according to the average annual market share price of the shares of the Company) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated above is compared with the number of shares that would have issued assuming the exercise of the share options.



## 7. Dividend

The Board does not recommend the payment of any dividend for the three months and nine months ended 30th September 2007 (2006: Nil).

## 8. Movement of reserves

	Share capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Equity holders HK\$'000	Minority interests HK\$'000	Total HK\$'000
<b>At 1st January 2007</b>	<b>83,000</b>	<b>85,816</b>	<b>51,448</b>	<b>220,264</b>	<b>718</b>	<b>220,982</b>
<b>Changes in exchange rates recognised directly in equity</b>	-	-	(47)	(47)	-	(47)
<b>Profit for the period</b>	-	-	<b>32,504</b>	<b>32,504</b>	<b>(187)</b>	<b>32,317</b>
<b>Total recognised income/(expense) for the period</b>	-	-	<b>32,457</b>	<b>32,457</b>	<b>(187)</b>	<b>32,270</b>
<b>Reserve arising from the Acquisition (note 1)</b>	-	-	<b>(640,000)</b>	<b>(640,000)</b>	-	<b>(640,000)</b>
<b>Issue of convertible notes</b>	-	-	<b>517,352</b>	<b>517,352</b>	-	<b>517,352</b>
	-	-	<b>(90,191)</b>	<b>(90,191)</b>	<b>(187)</b>	<b>(90,378)</b>
<b>At 30th September 2007</b>	<b>83,000</b>	<b>85,816</b>	<b>(38,743)</b>	<b>130,073</b>	<b>531</b>	<b>130,604</b>
At 1st January 2006	83,000	85,816	63,952	232,768	709	233,477
Changes in exchange rates recognised directly in equity	-	-	47	47	-	47
Profit for the period	-	-	19,942	19,942	(202)	19,740
Total recognised income/(expense) for the period	-	-	19,989	19,989	(202)	19,787
Share-based benefits	-	-	1,652	1,652	-	1,652
	-	-	21,641	21,641	(202)	21,439
At 30th September 2006	83,000	85,816	85,593	254,409	507	254,916

## BUSINESS REVIEW

### Steady Growth On New Business Opportunities

The Group's business continued to make progress into the second half of 2007 with a profit of HK\$11,160,000 in the third quarter, representing an increase of 59% year-on-year and 19% over the second quarter. For the three months ended 30th September, the Group's turnover amounted to HK\$85,229,000, an increase of 35% from the corresponding period last year. The improvement in the Group's profit margin reflects the enhancement in operational efficiency, and its wise move of core business transformation.

### Focus on Industrial and Commercial Property Brokerage

As the Group actively explores new business opportunities, it has established an important position in the non-residential property market. New business direction enables the Group to ride on the spectacular growth of Hong Kong's booming property market. According to the Land Registry, the registration of non-residential properties in the third quarter increased by 23% from the corresponding period last year, indicating strong market demand.

Among all property categories, the best performance had been recorded in the office property section during the third quarter, with contribution to income increased to 50% from the previous quarter's 48%. With the upward economy, local enterprises expanded vigorously while the China factor attracts more foreign enterprises to establish presence in Hong Kong – driving the demand for office properties. According to Invest Hong Kong, the number of offices set up by multinational corporations in Hong Kong is increasing, which leads to a sharp growth in demand for offices, especially Grade A properties. Moreover, the rising office rents in the core business districts have driven many corporations to relocate some of their divisions to other areas, thus the demand for offices in marginal locations increased.

Although the sub-prime mortgage problem in the United States has caused fluctuations to the stock market, the Group continued to register steady business performance. In fact, the successive interest rate cuts in the United States have encouraged property investment activities while the Group's expansion strategy in the first half of the year began to bear fruit. With the cooperation between the newly-formed surveying division and the frontline staff, the number of tender secured in the third quarter increased by 50% when compared with the previous quarter. In addition, the number of major transactions struck by the Group within first three quarters increased by 125% from the same period last year. The Group's turnover and profit both registered satisfactory growth in the third quarter together with improved productivity of our staff and branch offices under effective management in terms of operations.

## OUTLOOK

With the continuous improvement in business environment, the Group is very optimistic towards the prospect of the industry. With the sustained growth of the Hong Kong economy, it is expected that the demand for office properties will increase further. The tax reduction measures mentioned in the latest Policy Address will also enhance Hong Kong's business operating environment and attract the arrival of more foreign investors, which will benefit the office market. Furthermore, other favorable factors such as rising inflation and the interest rate downtrend will stimulate consumer spending and thus increase the attractiveness of retail properties. The ten major infrastructure projects pushed forward by the government will boost the local economy enormously, which should drive demand in particular for commercial properties in secondary and marginal districts.



The Group believes the industrial and commercial property markets will probably continue their rally in the foreseeable future. As the rent of prime commercial buildings in the core districts have already reached a very high level, a number of tenants are expected to move to secondary commercial buildings in the neighbourhood or offices in non-core districts in the next one or two years, thus pushing up the demand and rental prices of these properties. While the wealth effect of the buoyant equity market will stimulate investment demand, industrial and commercial properties have emerged as prime targets of capital investment with the continued influx of institutional funds.

As the momentum of the non-residential property market is set to gain pace on favorable market conditions, the Group will strive to grasp every business opportunity and strengthen its future strategies to tap the growth of the upsurge. Currently, the Group is strengthening the cooperation with our parent company's PRC division, actively attracting Mainland investors and enterprises to invest in Hong Kong in order to expand the Group's customer base.

In the meantime, the Group will be actively exploring potential investment opportunities according to market conditions, such as investing in industrial and commercial properties which the Group is familiar with, so as to strive for better return by diversifying and expanding its investment portfolio.

With the support of our parent company, Midland Holdings Limited, and our solid business foundation as well as established presence in the marketplace over the years, Midland IC&I is well positioned to take on new opportunities in response to market conditions for business expansion.

## DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th September 2007, the interests and short positions of each of the Directors, chief executives of the Company in the shares, underlying shares or debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which were (i) recorded in the register required to be kept under section 352 of the SFO, or (ii) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by the Directors as referred to in Rules 5.46 of the GEM Listing Rules, were as follows:

Name of director	Number of shares of the Company			Equity derivative (Share options)	Total	Percentage of shareholding
	Personal interests	Family interests	Corporate interests			
Mr. Tsang Link Carl, Brian ("Mr. Tsang")	-	-	-	83,000,000 (Note)	83,000,000	1.00%

Note: These share options were granted under the share option scheme of the Company to Mr. Tsang on 16th January 2006 for subscription of 83,000,000 shares of the Company at the exercise price of HK\$0.06 each.

All the interests disclosed above represent long position in the shares of the Company.

Save as disclosed above, as at 30th September 2007, none of the Directors, nor chief executive of the Company had or deemed to have any interests or short positions in the shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).



## **SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 30th September 2007, the interests or short positions of every person, other than a Director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

<b>Name of shareholder</b>	<b>Number of issued shares</b>	<b>Number of underlying shares</b>	<b>Capacity in which shares are held</b>	<b>Percentage of shareholding</b>
Midland Holdings Limited	4,300,000,000	5,400,000,000 (Note 1)	Interest in controlled corporation	116.87%
Tretsfeld Investments Limited ("Tretsfeld")	–	5,400,000,000 (Note 1)	Beneficial owner	65.06%
Mr. Pong Wai San, Wilson ("Mr. Pong") (Note 2)	1,482,910,000	–	Beneficial owner and interest in controlled corporation	17.87%
Ms. Tung Ching Yee, Helena ("Ms. Helena Tung") (Note 3)	1,482,910,000	–	Interest of spouse	17.87%
Summerview Enterprises Limited ("Summerview") (Note 4)	1,382,300,000	–	Beneficial owner	16.65%

Notes:

1. These underlying shares refer to the shares to be issued upon full conversion of the Convertible Note in the principal amount of HK\$540 million issued by the Company to Tretsfeld. Tretsfeld is a wholly-owned subsidiary of Midland. The percentage holding of Midland and Tretsfeld represents their interest in the enlarged issued share capital of the Company after full conversion of the Convertible Note.
2. 1,382,300,000 shares were registered in the name of and beneficially owned by Summerview and 100,610,000 shares were registered in the name of Mr. Pong. The entire issued share capital of Summerview was registered in the name of and beneficially owned by Mr. Pong.
3. Ms. Helena Tung is the spouse of Mr. Pong, these shares held by Ms. Helena Tung represent the same block of shares held by Mr. Pong.
4. The interest of Summerview in the Company duplicates those of Mr. Pong in the Company.

All the interests disclosed above represent long position in the shares of the Company.



## **DIVIDEND**

The Board does not recommend the payment of any dividend for the nine months ended 30th September 2007 (2006: Nil).

## **PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30th September 2007.

## **REVIEW BY AUDIT COMMITTEE**

The Audit Committee has reviewed and discussed with the management of the Company the unaudited quarterly report.

## **APPRECIATION**

Finally, I would like to take this opportunity to express our sincere gratitude to our shareholders and customers for their continuous support, to the management and staff for their hard work, support and dedication throughout the quarterly period.

By Order of the Board  
**Midland IC&I Limited**  
**WONG Tsz Wa, Pierre**  
*Executive Director*  
*and Chief Executive Officer*

Hong Kong, 12th November 2007