MIDLAND HOLDINGS LIMITED
美聯集團有限公司*

(Incorporated in Bermuda with limited liability)
Website: www.midland.com.hk
(Stock Code: 1200)

ANNUAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER 2007

HIGHLIGHTS

Profit attributable to equity holders increased by 340% to HK$659 million

Revenue increased by 92% to HK$3,871 million

Final dividend of HK$0.21 and 35th anniversary special cash bonus of HK$0.10 per share declared

The Board of Directors (the "Board" or the "Directors") of Midland Holdings Limited (the "Company" or "Midland") is pleased to announce the results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31st December 2007 as follows:

* *For identification purpose only*

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2007

	Note	2007 HK$'000	2006 HK$'000
Revenue	3	3,871,364	2,014,658
Other income, net	4	63,203	26,391
Staff costs		(2,162,598)	(1,085,435)
Rebate commissions		(74,604)	(30,046)
Advertising and promotion expenses		(240,839)	(178,499)
Operating lease expenses for office and shop premises		(266,222)	(271,506)
Impairment of receivable		(110,807)	(58,499)
Depreciation and amortisation costs		(48,503)	(63,863)
Other operating costs		(247,755)	(193,726)
Operating profit	5	783,239	159,475
Finance income	6	24,190	13,661
Finance costs	6	(8,547)	(3,739)
Share of profits less losses of jointly controlled entities		14,572	7,989
Profit before taxation		813,454	177,386
Taxation	7	(141,241)	(33,118)
Profit for the year		672,213	144,268
Attributable to:			
Equity holders		659,129	149,940
Minority interests		13,084	(5,672)
		672,213	144,268
Dividends	8	343,522	73,308
		HK cent	HK cent
Earnings per share	9		
Basic		90.1	20.4
Diluted		90.0	20.4

CONSOLIDATED BALANCE SHEET

AS AT 31ST DECEMBER 2007

	Note	2007 HK$'000	2006 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		83,429	77,805
Investment properties		68,713	27,548
Leasehold land and land use rights		122,656	106,346
Intangible assets		–	36,689
Interests in jointly controlled entities		26,370	11,716
Available-for-sale financial assets		–	49,583
Held-to-maturity investments		–	11,044
Financial assets at fair value through profit or loss		–	31,804
Deferred taxation assets		29,176	18,434
		330,344	370,969
Current assets			
Trade and other receivable	*10*	1,827,749	1,006,649
Held-to-maturity investments		11,050	–
Financial assets at fair value through profit or loss		106,513	19,984
Assets held for sale		97,926	–
Taxation recoverable		–	1,790
Cash and bank balances		1,046,033	529,824
		3,089,271	1,558,247
Total assets		3,419,615	1,929,216
EQUITY AND LIABILITIES			
Equity holders			
Share capital		73,090	73,245
Reserves		1,351,606	1,002,740
Proposed dividend		226,578	52,737
		1,651,274	1,128,722
Minority interests		53,339	65,697
Total equity		1,704,613	1,194,419

	Note	2007 HK$'000	2006 HK$'000
Non-current liabilities			
Borrowings		28,200	10,665
Deferred taxation liabilities		3,570	750
		31,770	11,415
Current liabilities			
Trade and other payable	*11*	1,514,188	721,604
Borrowings		3,376	1,778
Liabilities associated with assets held for sale		51,940	–
Taxation payable		113,728	–
		1,683,232	723,382
Total liabilities		1,715,002	734,797
Total equity and liabilities		3,419,615	1,929,216
Net current assets		1,406,039	834,865
Total assets less current liabilities		1,736,383	1,205,834

NOTES TO FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in Bermuda and listed on the Main Board at The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Clarendon House, Church Street, Hamilton HM11, Bermuda and its principal office in Hong Kong is Rooms 2505-2508, 25th Floor, Worldwide House, 19 Des Voeux Road Central, Hong Kong.

The principal activities of the Group are provision of property brokerage services in Hong Kong, the Mainland China and Macau.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets and financial assets at fair value through profit or loss, which are carried at fair values.

In 2007, the Group adopted the following new standard, amendment and interpretations, which are relevant to its operations:

HKFRS 7	Financial Instruments: Disclosures
HKAS 1 (Amendment)	Capital Disclosures
HK(IFRIC) – Int 8	Scope of HKFRS 2
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment

The adoption of these new standard, amendment 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 financial statements.

The following standard, amendment and interpretation are mandatory for the Group's accounting periods beginning on or after 1st January 2008 or later periods, but relevant to the Group and have not been early adopted:

Effective for the year ending 31st December 2008:

HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions

Effective for the year ending 31st December 2009:

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Amendment)	Borrowing Costs
HKFRS 8	Operating Segments

The Group will apply these standard, amendment and interpretations for its financial periods commencing on 1st January 2008 but they are not expected to have any significant impact on the financial position of the Group.

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

	2007	**2006**
	HK$'000	*HK$'000*
Agency fee	3,828,512	1,972,124
Rental income from investment properties	3,287	2,606
Web advertising	6,647	5,573
Internet education services	23,522	27,124
Other services	9,396	7,231
	3,871,364	2,014,658

(b) Segment information

The Group is organised into three main business segments including residential property brokerage, industrial and commercial property brokerage and property leasing. Other operations of the Group mainly comprise internet education services, web advertising services, advertising services and valuation services.

	Year ended 31st December 2007					
	Residential property brokerage *HK$'000*	**Industrial and commercial property brokerage** *HK$'000*	**Property leasing** *HK$'000*	**Others** *HK$'000*	**Corporate and elimination** *HK$'000*	**Total** *HK$'000*
Revenue						
External sales	3,327,551	500,961	3,287	39,565	–	3,871,364
Inter-segment sales	–	–	9,923	3,144	(13,067)	–
Segment revenue	3,327,551	500,961	13,210	42,709	(13,067)	3,871,364
Segment results	643,078	110,774	30,847	(31,763)	125,459	878,395
Unallocated income						42,213
Unallocated costs						(137,369)
Operating profit						783,239
Finance income, net						15,643
Share of profits less losses of jointly controlled entities	(102)	–	–	14,674	–	14,572
Profit before taxation						813,454
Taxation						(141,241)
Profit for the year						672,213
Segment assets	1,860,891	347,813	262,534	71,440	–	2,542,678
Interests in jointly controlled entities	365	–	–	26,005	–	26,370
Unallocated assets						850,567
Total assets						3,419,615
Segment liabilities	1,339,833	196,577	2,425	8,747	–	1,547,582
Unallocated liabilities						167,420
Total liabilities						1,715,002
Capital expenditure	39,876	1,263	166,230	1,530	–	208,899
Depreciation	31,125	3,760	346	1,093	123	36,447
Amortisation	–	–	1,828	9,886	342	12,056
Impairment	–	–	–	27,346	–	27,346
Other non-cash expenses/(income)	77,272	33,466	(16,332)	(9)	12,580	106,977

	Year ended 31st December 2006					
	Residential property brokerage *HK$'000*	**Industrial and commercial property brokerage** *HK$'000*	**Property leasing** *HK$'000*	**Others** *HK$'000*	**Corporate and elimination** *HK$'000*	**Total** *HK$'000*
Revenue						
External sales	1,677,067	295,057	2,606	39,928	–	2,014,658
Inter-segment sales	–	–	10,090	3,948	(14,038)	–
Segment revenue	1,677,067	295,057	12,696	43,876	(14,038)	2,014,658
Segment results	73,749	64,043	15,430	(9,998)	43,444	186,668
Unallocated income						16,092
Unallocated costs						(43,285)
Operating profit						159,475
Finance income, net						9,922
Share of profits less losses of jointly controlled entities	(177)	–	–	8,166	–	7,989
Profit before taxation						177,386
Taxation						(33,118)
Profit for the year						144,268
Segment assets	1,013,233	117,409	103,513	175,159	–	1,409,314
Interests in jointly controlled entities	385	–	–	11,331	–	11,716
Unallocated assets						508,186
Total assets						1,929,216
Segment liabilities	601,037	67,218	1,026	14,359	–	683,640
Unallocated liabilities						51,157
Total liabilities						734,797
Capital expenditure	13,852	1,168	5,752	817	7	21,596
Depreciation	45,474	4,524	183	1,382	155	51,718
Amortisation	–	–	1,812	9,895	438	12,145
Other non-cash expenses/ (income)	45,750	12,752	(6,913)	(3)	–	51,586

No analysis of the segment information by geographical segments is presented as no activities and operations of an internally reported geographical segment attributable to markets outside Hong Kong is more than 10% of the activities and operations of the Group.

Unallocated costs represent corporate expenses. Segment assets consist primarily of property, plant and equipment, trade and other receivable and operating cash and mainly exclude taxation recoverable. Segment liabilities comprise operating liabilities and mainly exclude taxation payable and borrowings.

4. OTHER INCOME, NET

	2007 *HK$'000*	2006 *HK$'000*
Net realised and unrealised gains on financial assets at fair value through profit or loss	39,992	15,930
Dividend income from listed investments	2,863	3,109
Fair value gains on investment properties	16,410	6,913
Gain on disposal of a subsidiary	698	381
Gain on disposal of a jointly controlled entity	–	58
Gain on disposal of investment properties	3,240	–
	63,203	26,391

5. OPERATING PROFIT

Operating profit is arrived at after charging:

	2007 *HK$'000*	2006 *HK$'000*
Loss on disposal of investment properties	–	518
Loss on disposal of leasehold land, property, plant and equipment	2,700	4,996
Impairment of intangible assets	27,178	–
Impairment of property, plant and equipment	168	–

6. FINANCE INCOME AND COSTS

	2007 *HK$'000*	2006 *HK$'000*
Finance income		
Bank interest	24,190	13,661
Finance costs		
Interest on bank loans and overdrafts		
Wholly repayable within five years	(1,714)	(1,445)
Not wholly repayable within five years	(1,562)	(651)
	(3,276)	(2,096)
Interest on securities margin financing	(5,271)	(1,643)
	(8,547)	(3,739)
Finance income, net	15,643	9,922

7. TAXATION

	2007	2006
	HK$'000	*HK$'000*
Current		
Hong Kong profits tax	144,057	31,561
Overseas	5,106	329
Deferred	(7,922)	1,228
	141,241	33,118

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The subsidiary companies established and operated in the Mainland China are subject to the Mainland China enterprise income tax at rates ranging from 15% to 33% (2006: 15% to 33%). On 16th March 2007, the National People's Compress approved the corporate income tax of the Mainland China (the "new CIT Law"), pursuant to which the corporate income tax rates for domestic and foreign enterprises are unified at 25% effective from 1st January 2008.

8. DIVIDENDS

	2007	2006
	HK$'000	*HK$'000*
Interim paid of HK$0.16 (2006: HK$0.028) per share	116,944	20,571
Proposed final of HK$0.21 (2006: HK$0.072) per share	153,488	52,737
Proposed 35th anniversary special cash bonus of HK$0.10 per share (2006: Nil)	73,090	–
	343,522	73,308

At a Board meeting held on 17th March 2008, the Directors proposed a final dividend of HK$0.21 per share and special cash bonus HK$0.10 per share. This proposed dividend and special cash bonus will be accounted for as an appropriation of retained earnings for the year ending 31st December 2008.

9. EARNINGS PER SHARE

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

	2007	2006
	HK$'000	*HK$'000*
Profit attributable to equity holders	659,129	149,940
Weighted average number of shares for calculation of basic earnings per share (thousands)	731,836	734,339
Adjustment for assumed conversion of share options (thousands)	327	218
Weighted average number of shares for calculation of diluted earnings per share (thousands)	732,163	734,557
Basic earnings per share (HK cents)	90.1	20.4
Diluted earnings per share (HK cents)	90.0	20.4

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of shares in issue during the year.

In calculating the diluted earnings per share the weighted average number of shares is 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 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.

10. TRADE RECEIVABLE

Trade receivable of HK$1,656,317,000 (2006: HK$860,483,000) represents principally agency fee receivable from customers whereby no general credit facilities is available. The customers are obliged to settle the amounts upon the completion of the relevant agreements. The ageing analysis of the trade receivable is as follows:

	2007	**2006**
	HK$'000	*HK$'000*
Not yet due	1,380,571	762,661
Less than 30 days	79,578	32,588
31 to 60 days	65,354	22,318
61 to 90 days	37,955	14,366
91 to 180 days	92,859	28,550
	1,656,317	860,483

11. TRADE PAYABLE

Trade payable of HK$1,022,017,000 (2006: HK$393,960,000) represents principally the commissions payable to property consultants and cooperative estate agents, which is due for payment only upon the receipt of corresponding agency fees from customers. The trade payable includes commission payable of HK$151,810,000 (2006: HK$45,600,000), which is due for payment within 30 days, and all the remaining trade payable is not yet due.

BUSINESS REVIEW

During the year, profit for the year soared 366 per cent to a record high of HK$672 million from 2006. With a knack to spot the market trend, the Group enhanced operating efficiency and raised the profit margin from 7.2 per cent to 17.4 per cent.

In 2007, Hong Kong's property transaction value is around HK$525.6 billion. Although that was still 40 per cent short of the historic high of around HK$868 billion of 1997, the Group is pleased to report that profit for the year surpassed the 1997 level by 197 per cent. This, we believe, was largely because we persevered with forward-looking management. Since our inception in 1973, the Group has experienced many peaks and troughs in the business environment. Not only have we managed to ride the crest of a wave each time to expand earnings, but we also learned to conserve during lean times to become more resilient. By 2007, we clearly had a larger market share than in 1997. That was the main factor behind our record high earnings.

Hong Kong property market has recovered from the bottom since the mid of 2003. Undoubtedly, the market had turned quite from mid of 2005 to the end of 2006, but the housing sector picked up again in 2007. A vibrant domestic economy, continually reduced supply of properties and an influx of foreign capital were the forces driving up the property market last year. Hong Kong's prevailing negative interest rate environment proved a stimulant on consumption and investment and added to the property market's new momentum. All market segments did well. Transaction volume rose across the board, be it properties in the primary or secondary market, luxury homes or mass residential estates. Even properties in the New Territories, which on tradition lag behind urban areas, also recorded a marked increase in transactions. This is further evidence that Hong Kong's economy was expanding at all levels. Given the active market, according to Rating and Valuation Department, property prices in Hong Kong rose an average of about 20 per cent last year. Moreover, rental rates for small to medium-sized flats also rose about 20 per cent. The property market indeed was well supported by end-users. In our view, there is no sign of bubble.

Growth across the Board

We are especially pleased to report that during 2007, our subsidiaries' and affiliates' business lines enjoyed growth. Businesses on residential properties brokerage, commercial (office and shops) and industrial properties brokerage, immigration consultancy, Referral mortgage brokerage, as well as wealth management broke record in earnings. We are convinced, therefore, that our efforts in placing professional talents in various fields have paid off.

China Market: Short Term Cautious Long Term Optimistic

Our mainland branch network took a step forward last year to go beyond Southern China. As of the middle of last year, more than half of our outlets were in Shenzhen. By the end of the year, our branches in that market was lowered to below 50 per cent of our mainland total. Even though the market headed south noticeably in the second half last year, we are optimistic about China's market in long term. With this in mind, we adopted discreet strategy on development, thus reinforcing our foundation for future growth.

OUTLOOK

The Group takes a highly optimistic view of the property market for 2008. Positive factors such as negative interest rate environment, declining property supply, rental growth, weak US dollars, strong upgrading demand, and a lower unemployment rate will continue to propel home sales market. Given that the savings ratio is high and the gearing ratio is low among Hong Kong people, a negative interest rate will stimulate desire to buy homes. We believe, therefore, that this year, the market is likely to do even better than last year.

Recognising the positive impact on property market of a negative interest rate environment, we took pains to explain it to the public as a market-entry opportunity last year, using various communication channels. This year, the Group has already allied with Bloomberg Financial Services again to conduct seminars for professional property investors from the city as well as overseas to offer news and views on the market.

Upgraded Management to Embrace Business Opportunities

As the Group developed and expanded, it was necessary to upgrade management from time to time. Over the past year, we made further investment in human resources, promoting a number of experienced and competent management staff.

But this year is not flushed with opportunities only; the market is also vulnerable to external risks, notably a possible whiplash from the subprime mortgage woes plaguing the United States. However, the interest rate cuts in the US will bring down the local cost of borrowing, a positive factor for the property market. We believe that our usual “flexible” approach in running the Group will allow us to handle changes and challenges in the marketplace.

On the other hand, with the property market expected to trend up further, even a prudent management tends to see an obvious increase in opportunities. We foresee getting considerable commission income from property sales in laggard districts as well as newly completed residential projects. Whether conditions are favourable or not, the Group will use prudence to assess market conditions and apply a flexible approach to embrace business opportunities.

Discreet Development on Mainland

In the foreseeable future, we shall continue with this strategy: Establish a foothold first in a core city, then extend our presence to the surrounding markets. In the second half last year, Beijing became another of our anchor points. We also strengthened our other bases, including Shanghai and Chongqing. It is our strategy to developing in consolidated market this year. Years of experience in Hong Kong tell us that an extremely flexible approach to operations is a real estate agency’s sharpest competitive edge. The Group shall adjust the size of its mainland network according to market conditions and the extent of the state’s cooling measures.

Hong Kong Roots Dating Back 35 Years

The Group is the chain property agency with the longest history in Hong Kong. Bolstered by 35 years of experience, the Group has been foremost to encourage reform within the real estate broking industry and to enhance professionalism on a continual basis. We are a leader in the field. In our 35th year, we shall play up our considerable history as a marketing theme. We shall continue to lead the real estate broking sector to a new milestone in professionalism, while reinforcing the goodwill our brand name wields to maintain our position as an industry leader. This year, the Group is committed to pour in resources in promoting the function of physical properties amid the negative real interest rates environment.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity, financial resources and funding

As at 31st December 2007, the Group had bank balances and cash of HK$1,046,033,000, whilst bank loans amounted to HK$31,576,000. The Group's bank loans were secured by certain investment properties and other properties held by the Group with a total net book value of HK$66,295,000 and with maturity profile set out as follows:

Repayable	***HK$'000***
Within 1 year	3,376
After 1 year but within 2 years	3,488
After 2 years but within 5 years	11,204
Over 5 years	13,508

The Group had unutilised banking facilities amounting to HK$198,781,000 from various banks. The Group's bank balances and cash are deposited in Hong Kong Dollar, United States Dollar, Renminbi and Macau Pataca, and the Group's borrowings are in Hong Kong Dollar. Therefore the Directors consider that the Group has no significant exposure to foreign exchange rate fluctuation. The bank loans and overdraft facilities were granted to the Group on a floating rate basis.

As at 31st December 2007, the gearing ratio of the Group was 1.9%. The gearing ratio is computed on the basis of total bank borrowings divided by the shareholders' funds of the Group.

The Directors are of the view that there are sufficient financial resources to satisfy the Group's capital commitments and on-going working capital requirements.

Contingent liabilities

The Company executed corporate guarantees as part of the securities for general banking facilities granted to certain wholly-owned subsidiaries. In addition, the Company guaranteed the payment of operating lease rentals in respect of certain premises for its wholly-owned subsidiaries.

Group Restructuring

On 6th June 2007, the Company completed a group restructuring by transferring of the entire issued share capital of Ketanfall Group Limited, holding company of a group of companies principally engaged in the business of industrial and commercial (office and shop) properties brokerage in Hong Kong from Midland Realty (Strategic) Limited, the Company's indirect wholly-owned subsidiary, to Midland IC&I Limited, formerly known as "EVI Education Asia Limited", the Company's indirect non-wholly owned subsidiary, securities of which are listed on the Growth Enterprise Market of the Stock Exchange, at a total consideration of HK$640 million satisfied by Midland IC&I Limited issuing the convertible notes in the principal amount of HK$540 million and HK$100 million by cash (the "Group Restructuring").

The Group Restructuring provides an opportunity for Midland IC&I Limited to engage in the business of industrial and commercial (office and shop) properties broking in Hong Kong. Immediately following the completion of the Group Restructuring, Ketanfall Group Limited has become a wholly-owned subsidiary of Midland IC&I Limited and remained as a non-wholly-owned subsidiary of the Company. The Company would also continue to be the controlling shareholder of Midland IC&I Limited after the Group Restructuring.

Employee Information

As at 31st December 2007, the Group employed 8,091 full time employees of which 6,966 were sales agents and 1,125 were back office supportive employees.

The Group provides remuneration package to employees largely based on industry practice, individual performance, qualification and experience. In addition, discretionary bonus, profit sharing and share option may be granted to eligible staff by reference to the Group's performance and individual performance. The Group also provides other benefits to its employees such as education subsidies, medical and retirement benefits. On staff development, both in-house and external training and development programmes are conducted on a regular basis.

FINAL DIVIDEND AND 35TH ANNIVERSARY SPECIAL CASH BONUS

The Directors proposed a final dividend of HK$0.21 per share for the year (2006: HK$0.072 per share) and a 35th anniversary special cash bonus of HK$0.10 per share for the year (2006: Nil) to shareholders whose names appear on the register of members of the Company on 16th May 2008. The dividend will be paid on or before 23rd May 2008.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 14th May 2008 to 16th May 2008, both days inclusive, during which period no transfer of shares may be registered.

In order to qualify for the 2007 final dividend and a 35th anniversary special cash bonus, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar and Transfer Office, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, not later than 4:00 p.m. on 13th May 2008.

CORPORATE GOVERNANCE

The Company had complied with all the code provisions set out in the Code of Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the year.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has established its own code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set in Appendix 10 of the Listing Rules. On specific enquiries made, all Directors have confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding Director's securities transactions for the year.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, the Company purchased a total of 1,554,000 shares of HK$0.10 each of the Company at prices ranging from HK$4.54 to HK$5.53 per share through the Stock Exchange. The Directors considered the share purchase would lead to an enhancement of the Group's earnings per share. Details of the purchases are as follows:

Month	Total number of the shares purchased	Purchase price per share Highest	Purchase price per share Lowest	Aggregate cost
		HK$	*HK$*	*HK$*
August 2007	1,554,000	5.53	4.54	7,900,580
	1,554,000			7,900,580

Save as disclosed above, neither the Company nor its subsidiary companies had purchased or sold any of the Company's shares and the Company had not redeemed any of its shares during the year.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed the annual results of the Company for the year. The figures in respect of the preliminary announcement of the Group's results for the year have been agreed by the Company's auditors, PricewaterhouseCoopers, to the amounts set out in the Group's financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong standards on Assurance Engagement issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

APPRECIATION

The Group's success is attributable to all staff working together to scale new heights. On behalf of the Directors, let me offer our sincere thanks to all shareholders for their support and to all staff for their dedication.

On behalf of the Board
WONG Kin Yip, Freddie
Chairman and Managing Director

Hong Kong, 17th March 2008

As at the date of this announcement, the Board comprises eight Directors, namely Mr. WONG Kin Yip, Freddie, Ms. TANG Mei Lai, Metty, Mr. CHAN Kwan Hing, Vincent, Ms. LAM Fung Fong, Iris and Mr. KWOK Ying Lung, Raymond as executive Directors; and Mr. KOO Fook Sun, Louis, Mr. SUN Tak Chiu, Raymond and Mr. WANG Ching Miao, Wilson as independent non-executive Directors.

MIDLAND HOLDINGS LIMITED
美 聯 集 團 有 限 公 司*

(Incorporated in Bermuda with limited liability)
Website: www.midland.com.hk
(Stock Code: 1200)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Midland Holdings Limited (the "Company") will be held at Rooms 2505-8, 25th Floor, World-wide House, 19 Des Voeux Road Central, Hong Kong on 16th May 2008 at 12:00 noon for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31st December 2007.

2. To declare a final dividend and a 35th anniversary special cash bonus.

3. To re-elect retiring Directors and to fix the Directors' remuneration.

4. To re-appoint Auditor and to authorise the Directors to fix their remuneration.

Special Businesses

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions of the Company:

5. "**THAT**:

   (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

   (b) the approval in paragraph (a) above, shall authorise the Directors during the Relevant Period to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes and other securities of the Company; or (iii) the exercise of options granted under any share option scheme or any similar arrangement for the time being adopted for the grant or issue to eligible persons prescribed thereunder of shares or rights to acquire shares in the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed twenty (20) per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

"Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; and

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

"Rights Issue" means an offer of shares of the Company or issue of options, warrants or other securities giving the right to subscribe for shares of the Company open for a period fixed by the Directors to holders of shares whose names appear in the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company or, where appropriate, such other securities (subject in all cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong)."

6. "**THAT**:

(a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase the shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of the shares of the Company which the Company is authorised to purchase pursuant to the approval in paragraph (a) above shall not exceed ten (10) per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval be limited accordingly; and

(c) for the purposes of this resolution:

"Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:–

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; and

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting."

7. "**THAT** subject to the passing of resolutions numbered 5 and 6 set out in the notice of this meeting, the aggregate nominal amount of shares which are to be purchased by the Company pursuant to the authority granted to the Directors as mentioned in resolution numbered 6 set out in the notice of this meeting shall be added to the aggregate nominal amount of share capital that may be allotted or agreed to be allotted by the Directors pursuant to resolution numbered 5 set out in the notice of this meeting."

By order of the Board
LAM Fung Fong, Iris
Executive Director and
Company Secretary

Hong Kong, 17th March 2008

Head office and principal place
of business in Hong Kong:
Rooms 2505-8, 25th Floor
Worldwide House
19 Des Voeux Road Central
Hong Kong

Registered office:
Clarendon House
Church Street
Hamilton HM 11
Bermuda

Notes:

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of such member. Vote may be given either personally or by proxy. A proxy need not be a member of the Company.

2. A form of proxy in respect of the meeting is enclosed. Whether or not you intend to attend the meeting in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon.

3. In order to be valid, a form of proxy together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited with the Company's Hong Kong Branch Share Registrar and Transfer Office, Tricor Abacus Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

4. Where there are joint holders of a share of the Company, any one of such holders may vote at the meeting either personally or by proxy in respect of such share as if he were solely entitled thereto, but if more than one of such holders are present at the meeting personally or by proxy, that one of such holders so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for this purpose be deemed joint holders thereof.