MIDLAND HOLDINGS LIMITED
美聯集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1200)

ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2008

The Board of Directors (the "Board" or the "Directors") of Midland Holdings Limited (the "Company" or "Midland") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2008 together with comparative figures for the year ended 31 December 2007 as follows:

Consolidated Income Statement
For the year ended 31 December 2008

	Note	2008 HK$'000	2007 HK$'000
Revenue	3	2,254,620	3,871,364
Other income	4	13,789	63,203
Staff costs		(1,277,471)	(2,162,598)
Rebate commissions		(12,512)	(74,604)
Advertising and promotion expenses		(184,784)	(240,839)
Operating lease charges in respect of office and shop premises		(312,220)	(266,222)
Impairment of receivables		(199,756)	(110,807)
Depreciation and amortisation costs		(45,141)	(48,503)
Other operating costs		(284,627)	(247,755)
Operating (loss)/profit	5	(48,102)	783,239
Finance income	6	19,197	24,190
Finance costs	6	(2,499)	(8,547)
Share of results of			
Jointly controlled entities		13,811	14,572
An associated company		231	–
(Loss)/profit before taxation		(17,362)	813,454
Taxation	7	(24,037)	(141,241)
(Loss)/profit for the year		(41,399)	672,213
Attributable to			
Equity holders		(40,895)	659,129
Minority interests		(504)	13,084
		(41,399)	672,213
Dividends	8	7,242	343,522
		HK cent	HK cent
(Loss)/earnings per share	9		
Basic		(5.61)	90.1
Diluted		(5.61)	90.0

* *For identification purpose only*

Consolidated Balance Sheet

As at 31 December 2008

	Note	2008 HK$'000	2007 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		72,412	83,429
Investment properties		71,400	68,713
Leasehold land and land use rights		99,222	122,656
Interests in jointly controlled entities		30,212	26,370
Interests in an associated company		231	–
Available-for-sale financial assets		11,949	–
Deferred taxation assets		13,629	29,176
		299,055	330,344
Current assets			
Trade and other receivables	10	698,430	1,827,749
Held-to-maturity investments		–	11,050
Financial assets at fair value through profit or loss		5,278	106,513
Assets held for sale		27,137	97,926
Amount due from an associated company		9,720	–
Taxation recoverable		25,280	–
Cash and bank balances		941,977	1,046,033
		1,707,822	3,089,271
Total assets		2,006,877	3,419,615
EQUITY AND LIABILITIES			
Equity holders			
Share capital		72,423	73,090
Reserves		1,242,832	1,351,606
Proposed dividend and special cash bonus		7,242	226,578
		1,322,497	1,651,274
Minority interests		52,835	53,339
Total equity		1,375,332	1,704,613
Non-current liabilities			
Borrowings		16,956	28,200
Deferred taxation liabilities		1,471	3,570
		18,427	31,770
Current liabilities			
Trade and other payables	11	602,510	1,514,188
Borrowings		1,722	3,376
Liabilities associated with assets held for sale		8,886	51,940
Taxation payable		–	113,728
		613,118	1,683,232
Total liabilities		631,545	1,715,002
Total equity and liabilities		2,006,877	3,419,615
Net current assets		1,094,704	1,406,039
Total assets less current liabilities		1,393,759	1,736,383

Notes:

1. General information

Midland Holdings Limited (the "Company") is a limited liability company incorporated in Bermuda and listed on the Main Board of 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 Company and its subsidiaries (collectively the "Group") are provision of property agency services in Hong Kong, the Mainland China and Macau.

2. Basis of preparation

(a) The financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements have been prepared 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.

(b) In 2008, the Group adopted HK(IFRIC) – Interpretation 11 "HKFRS 2 – Group and Treasury Share Transactions" issued by the HKICPA which is relevant to the Group's operations. The adoption of this interpretation did not have significant effect on the results and financial position or changes in the accounting policies of the Group.

3. Revenue and segment information

(a) Revenue

	2008 HK$'000	2007 HK$'000
Turnover		
Agency fee	2,215,111	3,828,512
Rental from investment properties	4,249	3,287
Web advertising	1,896	6,647
Internet education services	19,806	23,522
Other services	13,558	9,396
	2,254,620	3,871,364

(b) Segment information

(i) Primary reporting format – Business segments

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

	Year ended and as at 31 December 2008					
	Residential property agency	**Industrial, commercial and shop property agency**	**Property leasing**	**Others**	**Corporate and elimination**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Revenue						
External	1,954,721	262,327	4,249	33,323	–	2,254,620
Inter-segment	–	–	10,359	2,962	(13,321)	–
Segment revenue	1,954,721	262,327	14,608	36,285	(13,321)	2,254,620
Segment results	(26,569)	11,650	23,819	(3,682)	44,952	50,170
Unallocated costs						(98,272)
Operating loss						(48,102)
Finance income						19,197
Finance costs						(2,499)
Share of results of						
Jointly controlled entities	1,104	–	–	12,707	–	13,811
An associated company	–	–	–	231	–	231
Loss before taxation						(17,362)
Taxation						(24,037)
Loss for the year						(41,399)
Segment assets	782,560	202,855	167,836	43,089	–	1,196,340
Interests in jointly controlled entities	1,501	–	–	28,711	–	30,212
Interests in an associated company	–	–	–	231	–	231
Unallocated assets						780,094
Total assets						2,006,877
Segment liabilities	522,883	55,398	1,551	16,197	–	596,029
Unallocated liabilities						35,516
Total liabilities						631,545
Capital expenditure	42,890	2,815	5,409	1,191	–	52,305
Depreciation	37,177	4,001	360	1,022	123	42,683
Amortisation	–	–	2,116	–	342	2,458
Other non-cash expenses	174,922	24,653	1,255	1,917	7,258	210,005

	Year ended and as at 31 December 2007					
	Residential property agency HK$'000	Industrial, commercial and shop property agency HK$'000	Property leasing HK$'000	Others HK$'000	Corporate and elimination HK$'000	Total HK$'000
Revenue						
External	3,327,551	500,961	3,287	39,565	–	3,871,364
Inter-segment	–	–	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						24,190
Finance costs						(8,547)
Share of results 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
Other non-cash expenses/(income)	77,272	33,466	(16,332)	27,337	12,580	134,323

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

(ii) Secondary reporting format – Geographical segments

	Revenue HK$'000	**Segment assets** HK$'000	**Capital expenditure** HK$'000
2008			
Hong Kong and Macau	2,019,836	1,847,354	36,135
Mainland China	234,784	159,523	16,170
	2,254,620	2,006,877	52,305
2007			
Hong Kong and Macau	3,599,720	3,183,107	160,666
Mainland China	271,644	236,508	48,233
	3,871,364	3,419,615	208,899

4. Other income

	2008 HK$'000	2007 HK$'000
Dividend income from listed investments	1,162	2,863
Fair value gains on investment properties	–	16,410
Gain on disposal of a subsidiary	–	698
Gain on disposal of investment properties	91	3,240
Gain on disposal of assets held for sale	12,536	–
Net realised and unrealised gains on financial assets at fair value through profit or loss and available-for-sale financial assets	–	39,992
	13,789	63,203

5. Operating (loss)/profit

Operating (loss)/profit is arrived at after charging:

	2008 HK$'000	2007 HK$'000
Loss on disposal of leasehold land, property, plant and equipment	13,500	2,700
Impairment of intangible assets	–	27,178
Impairment of property, plant and equipment	1,763	168
Net realised and unrealised losses on financial assets at fair value through profit or loss	47,771	–

6. Finance income and costs

	2008 HK$'000	2007 HK$'000
Finance income		
Bank interest	19,197	24,190
Finance costs		
Interest on bank loans and overdrafts		
Wholly repayable within five years	(931)	(1,714)
Not wholly repayable within five years	(1,387)	(1,562)
	(2,318)	(3,276)
Interest on securities margin financing	(181)	(5,271)
	(2,499)	(8,547)
Finance income, net	16,698	15,643

7. Taxation

	2008 HK$'000	2007 HK$'000
Current		
Hong Kong profits tax	10,214	144,057
Overseas	375	5,106
Deferred	13,448	(7,922)
	24,037	141,241

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 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.

During the year, as a result of the change in the Hong Kong profits tax rate from 17.5% to 16.5% effective from 1 April 2008, deferred taxation balances have been remeasured.

8. Dividends

	2008 HK$'000	2007 HK$'000
Interim paid of HK$0.065 (2007: HK$0.16) per share	47,211	116,944
Proposed final of HK$0.01 (2007: HK$0.21) per share	7,242	153,488
35th anniversary special cash bonus of HK$0.10 per share	–	73,090
	54,453	343,522

At a Board meeting held on 20 March 2009, the directors proposed a final dividend of HK$0.01 per share. This proposed dividend is not reflected as a dividend payable in the financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2009.

9. (Loss)/earnings per share

The calculation of basic and diluted (loss)/earnings per share is based on the following:

	2008 HK$'000	2007 HK$'000
(Loss)/profit attributable to equity holders	(40,895)	659,129
Weighted average number of shares for calculation of basic (loss)/earning per share (thousands)	729,119	731,836
Effect on conversion of share options (thousands)	–	327
Weighted average number of shares for calculation of diluted (loss)/earnings per share (thousands)	729,119	732,163
Basic (loss)/earnings per share (HK cent)	(5.61)	90.1
Diluted (loss)/earnings per share (HK cent)	(5.61)	90.0

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

In calculating the diluted (loss)/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 the outstanding share options. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Diluted loss per share for the year ended 31 December 2008 did not assume the exercise of share options outstanding during the year since the exercise of share options would have an anti-dilutive effect.

10. Trade and other receivables

The trade receivables represent principally agency fee receivables from customers whereby no general credit facilities are available. The customers are obliged to settle the amounts upon the completion of the relevant agreements. The ageing analysis of the trade receivables is as follows:

	2008	2007
	HK$'000	HK$'000
Not yet due	496,509	1,380,571
Less than 30 days	17,392	79,578
31 to 60 days	8,760	65,354
61 to 90 days	9,084	37,955
91 to 180 days	17,907	92,859
	549,652	1,656,317

11. Trade payables

The trade payables represent principally the commissions payable to property consultants and cooperative estate agents. The trade payables are due for payment only upon the receipt of corresponding agency fees from customers. The trade payables include commission payables of HK$42,559,000 (2007: HK$151,810,000) which are due for payment within 30 days, and all the remaining trade payables are not yet due.

BUSINESS REVIEW

The Group posted an encouraging performance in the first half of 2008 but the global financial crisis in the second half presented serious challenges to business operations.

The world's economies suffered a severe blow from the worst financial storm in a century between September and November last year. In Hong Kong, the economy and the financial and property markets were also hit seriously. With the sharp decline in local economy over the last few months, the Group took decisive measures to rationalise business operations including cutting back the number of branches and staff. This prudent strategy sets the stage for the Group to maintain sustained business development and to take on the challenges in 2009.

A Sharp Fall in Market Activity

The property market was sluggish in the second half of last year as the volume of registered transactions fell to the lowest level since the SARS crisis in 2003. In fact, investor sentiment and property activity already took a turn from the peak of the market last summer, which was aggravated by the financial tsunami in September. Banks had become extremely conservative in extending loans in the fourth quarter of last year following the crisis, thus dampening property transactions significantly. Statistics showed that monthly property registrations dropped to the lowest level for nearly 20 years in November while average property prices fell by almost 20% in the second half of last year. The luxury residential market and the primary sector weakened in particular during the period. In Mainland China, the slowdown in property market coupled with rising operating costs resulted in a loss of more than one hundred million dollars. Overall, the Group's revenue recorded a 41.8% decline to HK$2,254,620,000 in 2008. After making provisions for uncollectible commission and related receivables, the Group reported a loss of HK$41,399,000 for the year ended 31 December 2008.

Sharpening Mainland Strategy

With the economic contraction around the world after the financial crisis, the Group's business operations in both Hong Kong and the mainland were adversely affected. The Group has taken proactive measures immediately after the crisis to control costs in the face of the weakened economic environment.

The mainland property market presents an opportunity for the Group's long-term business expansion. We focus on establishing business operations in key cities with a strategy of expanding into secondary areas in a buoyant market. In the event of a market slowdown, however, the Group will take prompt actions to restructure business including downsizing the branch network and streamlining the workforce. The mainland business operation recorded a loss because of the property downturn during the year. As a result, the Group's retail network on the mainland was scaled back significantly in the second half of 2008.

Back-office Efficiency and Quality of Service

With the property market doldrums in Hong Kong, the Group has introduced positive measures immediately to improve productivity such as rationalising the workforce with the departure of staff with unsatisfactory performance and cutting back the presence of branches. Manpower resources in the back-office division were streamlined and the Group integrated the supporting operation of its wholly-owned subsidiary Hong Kong Property Services (Agency) for better back-office operational efficiency to create extra business value. In addition to cost controls, the Group is committed to improve the standard of professionalism by making the back-office departments "Central Professional Units" for the company.

Operating Cost to Decline

With a comprehensive carefully-formulated business strategy to meet the market changes, the Group is well positioned to take on challenges and seize opportunities in the future. While our business is affected by the exceptional economic downturn now facing the world, the Group's established solid foundation and decisive mitigation measures in response to the crisis will pave the way for recovery. At the end of last year, the Group's monthly fixed cost decreased from that at peak of the market, which should bode well for a healthier business development in 2009.

OUTLOOK

With the global financial crisis showing no signs of abating, major economies around the world are set to face further slowdown. Hong Kong cannot escape unscathed and the local economy probably will suffer this year with a potential negative GDP and further increases in unemployment rate.

Standing Tall to Reap Opportunities

In business for 36 years, the Group has gone through the market crises over the decades. In 1973, the first year we came into business, the stock market crashed and the Hang Seng Index plunged from 1,700 points to 160 in two years. The confidence crisis came up between 1982 and 1984 while the Asian financial turmoil broke out in 1997, followed by the technology bubble burst in 2000 and the SARS crisis in 2003. The Group successfully turned adversity into opportunity and emerged stronger every time from the crises. We continue to maintain a sound balance sheet and healthy working capital in the face of the prevailing difficulty, which is reflective of the Group's prudent business philosophy, strong forward-looking management as well as ability to overcome crisis.

The local economy suffered from the financial crisis last year and the business environment for all sectors including the property market will remain challenging this year. Although the Government has introduced a series of initiatives such as major infrastructure development and other policies to shore up the economy, stock market fluctuations and rising unemployment will continue to affect the property sector in the near term. Hong Kong has experienced no excessive lending while the low interest rate environment and limited supply of new properties will help bolster the property market's longer-term development. New luxury residential projects such as The Cullinan put on sale generated positive sales responses in February 2009, indicating that some investors continue to see property as a safe long-term bet.

Longer-Term Optimism

The Group remains optimistic about the prospect for the local property market in the medium and long term because of its strong fundamentals. Market activity will be inevitably disturbed in the short term by various negative factors including rising unemployment, uncertainty of the world's economies and volatile stock market conditions. Last year, the fall in property prices resulted in more transactions falling through both sales and leasing, which adversely affected the Group's earnings in 2008 with provisions made for uncollectible receivables and charges related to transaction cancellations. The Group will monitor closely the trend of property deals falling through and take appropriate actions whenever necessary.

In light of the fast-changing market conditions, the management will constantly review the cost control measures introduced at the end of last year to ensure steady business development. With sound financial strength and the management's deep knowledge and experience in the property agency business, the Group is confident of riding through the financial crisis. A few years back at the start of the property market's last recovery, a responsibility system was introduced with delegation of power made to chief executives of the Group's subsidiaries and associates to motivate staff performance in different divisions. This system worked very well during the market boom but the dramatic market changes after the financial crisis disrupted business performance. In the second half of 2008, the Group decided to readjust the strategy and rationalised business operations under the central leadership. With enhancement of the management team and the board of directions, the Chairman Office was established last year to coordinate and facilitate suitable immediate actions to deal with adversity, take on challenges and capture opportunities at a time of crisis. The Group has already formulated a complete strategy to meet different market changes and additional measures can be put in place quickly if warranted to further cut back controls for business.

With its business prudence, the Group has built up strong reserves during the upcycles to cope with the impact of a market downturn. Looking ahead, the Group will continue to capitalise on our advantages including our branding, a large customer base and a team of professional staff to raise productivity and competitiveness in the market.

In Sincere Appreciation of Staff

Over the years, the Group has gone through the ups and downs of the property market but this once-in-a-century financial crisis presents unprecedented challenges to many of our staff. I would like to express my heart-felt appreciation to all employees for their dedication and for getting through tough times together. With their hard work and total commitment, I trust that the Group will emerge better and stronger from the current economic downturn.

MANAGEMENT DISCUSSION AND ANALYSIS

Liquidity, Financial Resources and Funding

As at 31 December 2008, the Group had bank balances and cash of HK$941,977,000, whilst bank loans and overdrafts amounted to HK$27,564,000. 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$65,604,000 and with maturity profile set out as follows:

Repayable	HK$'000
Within 1 year	3,500
After 1 year but within 2 years	3,634
After 2 years but within 5 years	11,761
Over 5 years	8,669

The Group had unutilised banking facilities amounting to HK$131,076,000 from various banks. The Group's bank balances and cash are deposited in Hong Kong Dollars and United States Dollars and Renminbi and Macau Pataca, and the Group's borrowings are in Hong Kong Dollars. Therefore the Directors consider 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 31 December 2008, the gearing ratio of the Group was 2%. 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.

Employee Information

As at 31 December 2008, the Group employed 5,844 full time employees of which 4,878 were sales agents and 966 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.

Midland IC&I Limited Transferred Listing from GEM to the Main Board of the Stock Exchange

On 18 August 2008, the listing of shares of Midland IC&I Limited, the listed subsidiary of the Company, was successfully transferred from the Growth Enterprise Market ("GEM") to the Main Board of the Stock Exchange reflecting the strong potential for growth of its business and the Group's subsidiary assets.

FINAL DIVIDEND

The Directors proposed a final dividend of HK$0.01 per ordinary share for the year (2007: HK$0.21 per share and a 35th anniversary special cash bonus of HK$0.10 per share) to shareholders whose names appear on the register of members of the Company on 15 May 2009. The final dividend will be paid on or around 22 May 2009.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 13 May 2009 to 15 May 2009, both days inclusive, during which period no transfer of shares may be registered.

In order to qualify for the 2008 final dividend, 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 4:30 p.m. on 12 May 2009.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Code of Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the year ended 31 December 2008 except that the roles of the chairman and the chief executive officer of the Company are not segregated under code provision A.2.1 of the CG Code.

Mr. Wong Kin Yip, Freddie ("Mr. Wong"), as Chairman and Managing Director of the Company, also carried out the function of chief executive officer of the Company. The Board believes that under the leadership of Mr. Wong, the current structure is conducive to strong and consistent, enabling the Company to make and implement business decisions and strategies promptly and efficiently which is beneficial to the business prospects and management of the Group.

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 ended 31 December 2008.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, a total of 6,666,000 ordinary shares of HK$0.10 each of the Company were purchased by the Company at prices ranging from HK$2.02 to HK$4.93 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	Lowest	Aggregate cost
		HK$	HK$	HK$
June 2008	578,000	4.93	4.77	2,801,060
July 2008	400,000	4.67	4.52	1,846,000
September 2008	4,138,000	2.68	2.22	10,347,740
October 2008	1,550,000	2.44	2.02	3,504,000
	6,666,000			18,498,800

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 ended 31 December 2008. The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2008 have been agreed by the Company's auditor, 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.

PUBLICATION OF ANNUAL RESULTS AND 2008 ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.midland.com.hk). The 2008 Annual Report will be dispatched to the shareholders and will be available in the websites of the Stock Exchange and the Company in due course.

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 year.

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

Hong Kong, 20 March 2009

As at the date of this announcement, the Board of the Company comprises ten directors, of which seven are executive directors, namely Mr. Wong Kin Yip, Freddie, Ms. Tang Mei Lai, Metty, Mr. Wong Kam Hong, Mr. Chan Kwan Hing, Ms. Wong Ching Yi, Angela, Mr. Kwok Ying Lung and Ms. Ip Kit Yee, Kitty; and three are independent non-executive directors, namely Mr. Koo Fook Sun, Louis, Mr. Sun Tak Chiu and Mr. Wang Ching Miao, Wilson.