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MIDLAND IC&I LIMITED

美聯工商舖有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 459)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

The board of directors (the "Board") of Midland IC&I Limited (the "Company") is pleased to present the audited consolidated annual results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2013 together with comparative figures as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Note	2013 HK\$'000	2012 HK\$'000
Revenues	3(a)	562,505	814,368
Other income	4	7,558	12,486
Staff costs		(295,616)	(423,974)
Rebate incentives		(101,273)	(82,680)
Advertising and promotion expenses		(18,781)	(18,172)
Operating lease charges in respect of office and shop premises		(34,156)	(20,382)
Impairment of receivables		(40,933)	(41,968)
Depreciation and amortisation costs		(7,035)	(4,028)
Other operating costs		(42,746)	(33,717)
Operating profit	5	29,523	201,933
Finance income	6	3,332	5,230
Finance costs	6	(196)	(297)
Profit before taxation		32,659	206,866
Taxation	7	(7,755)	(31,044)
Profit for the year attributable to equity holders		24,904	175,822

* For identification purpose only

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)*For the year ended 31 December 2013*

	<i>Note</i>	2013 HK\$'000	2012 <i>HK\$'000</i>
Other comprehensive income			
<i>Item that is reclassified to profit or loss</i>			
Release of currency translation differences arising from disposal of subsidiaries		11	-
<i>Item that may be reclassified to profit or loss</i>			
Currency translation differences		17	(18)
Total comprehensive income for the year attributable to equity holders		24,932	175,804
		HK cents	<i>HK cents</i>
Earnings per share	<i>8</i>		
Basic		0.182	1.283
Diluted		0.182	1.283

CONSOLIDATED BALANCE SHEET*As at 31 December 2013*

	<i>Note</i>	2013 HK\$'000	2012 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		12,177	9,175
Investment properties		57,400	52,670
Deferred taxation assets		2,064	5,371
		71,641	67,216
Current assets			
Trade and other receivables	10	185,939	462,867
Financial assets at fair value through profit or loss		-	155
Tax recoverable		1,496	-
Cash and bank balances		572,220	488,051
		759,655	951,073
Total assets		831,296	1,018,289
EQUITY AND LIABILITIES			
Equity holders			
Share capital		137,000	137,000
Share premium		549,168	549,168
Reserves		(19,714)	(44,646)
		666,454	641,522
Total equity		666,454	641,522
Non-current liabilities			
Deferred taxation liabilities		473	486
Current liabilities			
Trade and other payables	11	151,788	346,237
Bank loan		10,030	10,926
Taxation payable		2,551	19,118
		164,369	376,281
Total liabilities		164,842	376,767
Total equity and liabilities		831,296	1,018,289
Net current assets		595,286	574,792
Total assets less current liabilities		666,927	642,008

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The Company is a limited liability company incorporated in the Cayman Islands and listed on the main board 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 in Hong Kong is Room 1801A, 18th Floor, Office Tower One, Grand Plaza, 625 & 639 Nathan Road, Mongkok, Kowloon, Hong Kong.

The principal activities of the Group are provision of property agency services in respect of commercial and industrial properties and shops in Hong Kong.

2. Basis of preparation

(a) 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 (“HKICPA”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties which are carried at fair values.

(b) Standards, interpretations and amendments effective in 2013

HKAS 1 (Amendment)	Financial Statement Presentation
HKAS 19 (Revised 2011)	Employee Benefits
HKAS 27 (Revised 2011)	Separate Financial Statements
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurements
Annual Improvements Project	Annual Improvements 2009 – 2011 Cycle

The adoption of the above new and revised standards and amendments and interpretations to existing standards did not have significant effect on the financial information or result in any significant changes in the Group’s significant accounting policies, except for certain changes in presentation and disclosures.

2. Basis of preparation (continued)

(c) Standards, interpretations and amendments which are not yet effective

The following new standards, amendments to standards and interpretation have been issued but are not effective for 2013 and have not been early adopted by the Group.

Effective for the year ending 31 December 2014

HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Impairment of Assets – Recoverable Amount Disclosures for Non-financial Assets
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendment)	Investment Entities
HK(IFRIC) Interpretation 21	Levies

Effective for the year ending 31 December 2015

HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date and Transition Disclosures
HKFRS 9	Financial Instruments

The Group is assessing the impact of these new standards, amendments to standards and interpretation. The adoption of these new standards, amendments to standards and interpretation will not result in a significant impact on the results and financial position of the Group.

3. Revenues and segment information

(a) Revenues

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Turnover		
Agency fee	549,139	795,291
Internet education and related services	11,479	17,332
	<u>560,618</u>	<u>812,623</u>
Other revenues		
Rental income from a fellow subsidiary	1,825	1,707
Rental income from third party	42	38
Others	20	-
	<u>562,505</u>	<u>814,368</u>

3. Revenues and segment information (continued)

(b) Segment information

The chief operating decision makers have been identified as the executive directors of the Company (the “Executive Directors”). The Executive Directors review the Group’s internal reporting in order to assess performance and allocate resources. Management determined the operating segments based on these reports.

Management assesses the performance based on the nature of the Group’s business principally located in Hong Kong, which comprises property agency businesses for commercial and industrial properties and shops, and other business which mainly includes the provision of internet education and its related services.

	Year ended 31 December 2013				Total HK\$'000
	Property agency		Shops HK\$'000	Others HK\$'000	
	Commercial properties HK\$'000	Industrial properties HK\$'000			
Total revenues	242,914	88,009	252,332	11,498	594,753
Inter-segment revenues	(20,447)	(3,709)	(9,960)	(19)	(34,135)
Revenues from external customers	222,467	84,300	242,372	11,479	560,618
Segment results	28,265	(3,991)	18,202	568	43,044
Impairment of receivables	12,926	10,214	17,131	662	40,933
Depreciation and amortisation costs	2,274	2,080	1,963	494	6,811
Additions to non-current assets	3,883	3,843	2,700	323	10,749
Gain on disposal of subsidiaries	-	-	-	2,205	2,205

3. Revenues and segment information (continued)

(b) Segment information (continued)

	Year ended 31 December 2012				
	Property agency				Total HK\$'000
	Commercial properties HK\$'000	Industrial properties HK\$'000	Shops HK\$'000	Others HK\$'000	
Total revenues	312,302	156,993	359,825	17,451	846,571
Inter-segment revenues	(18,558)	(7,562)	(7,709)	(119)	(33,948)
Revenues from external customers	<u>293,744</u>	<u>149,431</u>	<u>352,116</u>	<u>17,332</u>	<u>812,623</u>
Segment results	<u>81,542</u>	<u>34,630</u>	<u>95,252</u>	<u>(3,984)</u>	<u>207,440</u>
Impairment/(recoverable) of receivables	16,157	9,038	16,808	(35)	41,968
Depreciation and amortisation costs	699	1,210	919	793	3,621
Additions to non-current assets	<u>2,809</u>	<u>733</u>	<u>3,411</u>	<u>505</u>	<u>7,458</u>

The Executive Directors assess the performance of the operating segments based on a measure of operating results from each reportable segment. Corporate expenses, fair value (loss)/gain on financial assets at fair value through profit or loss, fair value gain on investment properties, finance income, finance costs and taxation are not included in the segments results.

Revenues between segments arose from transactions which are carried out on terms with reference to market practice. Revenues from external customers reported to the Executive Directors are measured in a manner consistent with that in the consolidated statement of comprehensive income.

Reportable revenues from external customers are reconciled to total revenues as follows:

	2013 HK\$'000	2012 HK\$'000
Revenues from external customers for reportable segments	560,618	812,623
Rental income from a fellow subsidiary	1,825	1,707
Rental income from third party	42	38
Others	20	-
Total revenues per consolidated statement of comprehensive income	<u>562,505</u>	<u>814,368</u>

3. Revenues and segment information (continued)

(b) Segment information (continued)

A reconciliation of segment results to profit before taxation is provided as follows:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Segment results for reportable segments	43,044	207,440
Corporate expenses	(18,251)	(17,537)
Fair value gain on investment properties	4,730	12,030
Finance income	3,332	5,230
Finance costs	(196)	(297)
	<hr/>	<hr/>
Profit before taxation per consolidated statement of comprehensive income	32,659	206,866
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Segment assets and liabilities exclude corporate assets and liabilities, deferred taxation and financial assets at fair value through profit or loss, all of which are managed on a central basis. The following is total segment assets and liabilities by reportable segment:

As at 31 December 2013

	Property agency				Total <i>HK\$'000</i>
	Commercial properties <i>HK\$'000</i>	Industrial properties <i>HK\$'000</i>	Shops <i>HK\$'000</i>	Others <i>HK\$'000</i>	
Segment assets	88,962	149,298	90,457	61	328,778
Segment liabilities	53,062	22,639	64,002	-	139,703

As at 31 December 2012

	Property agency				Total <i>HK\$'000</i>
	Commercial properties <i>HK\$'000</i>	Industrial properties <i>HK\$'000</i>	Shops <i>HK\$'000</i>	Others <i>HK\$'000</i>	
Segment assets	154,856	121,522	251,687	15,639	543,704
Segment liabilities	94,187	61,640	165,346	9,521	330,694

3. Revenues and segment information (continued)

(b) Segment information (continued)

Reportable segment assets are reconciled to total assets as follows:

	2013 HK\$'000	2012 <i>HK\$'000</i>
Segment assets	328,778	543,704
Corporate assets	500,454	469,059
Deferred taxation assets	2,064	5,371
Financial assets at fair value through profit or loss	-	155
Total assets per consolidated balance sheet	831,296	1,018,289

Reportable segment liabilities are reconciled to total liabilities as follows:

	2013 HK\$'000	2012 <i>HK\$'000</i>
Segment liabilities	139,703	330,694
Corporate liabilities	24,666	45,587
Deferred taxation liabilities	473	486
Total liabilities per consolidated balance sheet	164,842	376,767

4. Other income

	2013 HK\$'000	2012 <i>HK\$'000</i>
Fair value gain on investment properties	4,730	12,030
Gain on disposal of subsidiaries	2,205	-
Others	623	456
	7,558	12,486

5. Operating profit

Operating profit is arrived at after charging:

	2013 HK\$'000	2012 <i>HK\$'000</i>
Loss on disposal of property, plant and equipment	208	282
Auditor's remuneration		
- Audit services	725	844
- Non-audit services	434	389
Financial assets at fair value through profit or loss		
- Fair value loss	12	-
- Fair value gain	-	(25)

6. Finance income and costs

	2013 HK\$'000	2012 <i>HK\$'000</i>
Finance income		
Bank interest income	3,332	5,230
Finance costs		
Finance cost of convertible notes wholly repayable within five years	-	(73)
Interest on borrowings not wholly repayable within five years (note)	(196)	(224)
	(196)	(297)
Finance income, net	3,136	4,933

Note: The classification by repayment period is based on the scheduled repayment dates set out in the loan agreement and ignores the effect of any repayment on demand clause.

7. Taxation

	2013 HK\$'000	2012 <i>HK\$'000</i>
Current		
Hong Kong profits tax	4,497	34,467
Deferred	3,258	(3,423)
	7,755	31,044

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profit for the year.

8. Earnings per share

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

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Profit attributable to equity holders	24,904	175,822
Number of shares for calculation of basic earnings per share (thousands)	13,700,000	13,700,000
Effect on conversion of share option (thousands)	-	-
Number of shares for calculation of diluted earnings per share (thousands)	13,700,000	13,700,000
Basic earnings per share (HK cents)	0.182	1.283
Diluted earnings per share (HK cents)	0.182	1.283

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 of the issuance of the convertible notes. On 6 June 2012, the convertible notes have been converted into shares.

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 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 earnings per share for the year ended 31 December 2013 and 2012 did not assume the exercise of share options since the exercise of share options would have an anti-dilutive effect.

9. Dividend

The Board does not recommend the payment of any dividend for the year ended 31 December 2013 (2012: Nil).

10. Trade and other receivables

The trade receivables mainly represent agency fee receivables from customers whereby no general credit terms are granted. The customers are obliged to settle the amounts due upon completion of or pursuant to the terms and conditions of the relevant agreements. The ageing analysis of the trade receivables is as follows:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Not yet due	136,803	409,554
Less than 30 days	15,601	26,205
31 to 60 days	4,437	4,835
61 to 90 days	1,293	1,489
91 to 180 days	3,148	3,199
Over 180 days	6,580	1,710
	<hr/> 167,862 <hr/>	<hr/> 446,992 <hr/>

11. Trade and other payables

Commissions payable to property consultants, co-operative estate agents and clients are due for payment only upon the receipt of corresponding agency fees from customers. These balances include HK\$15,906,000 (2012: HK\$32,152,000) which are due for payment within 30 days, and all the remaining commissions payable are not yet due.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the year ended 31 December 2013, the Company and its subsidiaries (the "Group") recorded a net profit of HK\$24,904,000. Meantime, the revenue for the year decreased by 31% to HK\$562,505,000.

The Hong Kong commercial property sector in Hong Kong froze in 2013. In the late February in 2013, the adjustment of Ad Valorem Stamp Duty was the first intervening measure made by government in the commercial sector. This policy has raised the transaction cost for investors and buyers of the non-residential properties. The robust commercial sector cooled off significantly as the investors have stood on the sidelines and almost all the short-term speculators have left the market. According to the Land Registry, the number and value of sales registrations of non-residential properties amounted to 9,829 units and HK\$102 billion respectively in 2013, down 46% and 42% from 2012.

The non-residential properties market was strong in 2012, and the market continued to bloom in beginning of 2013. However, the number of transactions dropped sharply after the adjustment of Ad Valorem Stamp Duty in late February 2013. According to the Land Registry, the number of registrations in the 2nd quarter registered a quarter-on-quarter decline of 70%, breaking the record of the 50% drop reported in the final quarter of 2008 when the financial tsunami hit Hong Kong. The market has been in stalemate and the sale activity has continued to shrink. Indeed, the quarterly transaction volume stayed below 2,000 in the final three quarters of last year.

As the transaction cost increased because of the new stamp duty arrangement, the small lump sum properties gained market attention. Amid poor market conditions, response to the sales of subdivided retail malls was still strong. In the second half of last year, the Group performed well in the exclusive sales of the subdivided units of Maxi Base, a shopping mall in North Point. With a total value of HK\$682 million, 315 units were sold. Sales responses were strong to the subdivided units of Causeway Place in Causeway Bay and The Cube in Tsuen Wan.

During the reporting year, local developers actively launched primary industrial and commercial projects which received strong market response. The office towers such as YHC Tower in Kwun Tong, the Billion Plaza 2 in Cheung Sha Wan, and the Global Trade Square in Wong Chuk Hang received strong response. In the industrial property segment, the Global Gateway Tower in Cheung Sha Wan and the DAN6 in Tsuen Wan, mainly comprising small sized units, was sold out within a period of time. The above showed that the investors still have a strong interest in non-residential properties with attractive return.

In the year of 2013, rent of retail properties was supported by strong retail sector. Thus, the prices of retail properties were resilient despite the tough measures. Last year, thirty one properties valued at over HK\$100 million were brokered by the Group, signifying the veteran investor was still confident on the market and the Group's leading position in the industry.

Outlook

2013 was a difficult year for the Group. For the non-residential sector, 2014 will be a year characterized by drop in prices and increase in activity. Transaction is expected to pick up, as the market has digested the impact of the tough measures. Investors will become less pessimistic on the non-residential property market. This year, transaction volume has a high chance to pose a gain from the low base in last year.

Mild Price Correction May Boost Sales Activity

While the legislation of adjustment of Ad Valorem Stamp Duty is expected to be passed this year by Legislative Council, still, there are no signs of that the government will withdraw the tough measures, so property agency industry will continue to face a lengthy, challenging period ahead. Despite the US government announced the tapering and change in the rate hikes guidance, interest rate is expected to remain low in the short run. Low-interest environment will continue to provide support to asset value of the commercial properties, strengthening the confidence of the buyers. So any price correction is expected to be mild. The Group will capture business opportunities in the market.

Stable Demand for Commercial Properties

The mild recovery of the global economy and the government's plan in developing Kai Tak into another CBD provide a favorable environment to the industrial and commercial property market in Kowloon East. The growing number of Mainland enterprises listed in Hong Kong offers additional demand for quality commercial properties, thus providing strong support to its rental market. Shops market will continue to benefit from the booming retail industry, so rental is likely to remain stable. Since the three segments of the non-residential sector are supported by solid favorable factors, its medium to long term outlook will be promising despite the tough measures.

Increase in Manpower

To combat the difficulties last year, the Group reduced manpower by about 20% as a part of cost cutting plan. The cut in manpower last year laid down a good foundation for rebuilding the frontline operation to be a more professional team, strengthening our market position. However, in the anticipation of improvement in sales activity, the Group will carry out several training programmes to carry on to improve staff quality. Our business direction will be adjusted to capture more business opportunities. Staff is encouraged to focus markets beyond the industrial, commercial and shop market, and to involve in overseas properties and primary residential properties. This can help diversify the Group's source of income.

Under tough measures, the Group continues to monitor the change of the property market, with the aim of capturing business opportunities and strengthening our market position. A series of promotion activities were organised in 2013, such as "Entrepreneur Day 2013", "A Parade of Industrial and Commercial Areas of Kowloon East". Besides, the first guidebook, "Investment Strategies on Industrial, Commercial and Retail Properties" was published in 2013. It offers insights and analysis on investment strategies and experiences for industrial, commercial and retail properties and car park market. Moreover, the Group has put a lot of resources on staff training and provided various supplementary courses to our frontline staff. For caring the elderly and the needy, our staff also took part in the volunteer activities organised by charitable organisations.

FINANCIAL REVIEW

Liquidity, Financial Resources and Funding

As at 31 December 2013, the Group had cash and bank balances of HK\$572,220,000 (2012: HK\$488,051,000), whilst bank loan amounted to HK\$10,030,000 (2012: HK\$10,926,000). The Group's bank loan was secured by investment properties held by the Group of HK\$57,400,000 (2012: HK\$52,670,000) and with maturity profile set out as follows:

Repayable	2013 HK\$'000	2012 HK\$'000
Within 1 year	913	893
After 1 year but within 2 years	930	910
After 2 years but within 5 years	2,895	2,838
Over 5 years	5,292	6,285
	10,030	10,926

Note: The amounts due are based on the scheduled repayment dates set out in the loan agreement and ignore the effect of any repayment on demand clause.

As at 31 December 2013, the Group had unutilised banking facilities amounting to HK\$15,500,000 (2012: HK\$15,500,000) from a bank. The Group's cash and bank balances are deposited in Hong Kong Dollars and the Group's bank loan is in Hong Kong Dollars. The bank loans and overdraft facilities were granted to the Group on a floating rate basis.

As at 31 December 2013, the gearing ratio of the Group was 1.5% (2012: 1.7%). The gearing ratio is calculated on the basis of the Group's total bank loans over total equity of the Group. The liquidity ratio of the Group, which represents a ratio of current assets over current liabilities, to reflect the adequacy of the financial resources, was 4.6 (2012: 2.5).

The directors of the Company ("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.

Capital structure and foreign exchange exposure

During the year, there was no material change in the Company's capital structure. The Group generally finances its operations and investing activities with equity holders' funds.

The Group's income and monetary assets and liabilities are denominated in Hong Kong Dollars. The Directors considered that the foreign exchange exposure of the Group is minimal.

Contingent liabilities

As at 31 December 2013, the Company executed corporate guarantees amounting to HK\$29,780,000 (2012: HK\$29,780,000) as the securities for general banking facilities and bank loan granted to its wholly-owned subsidiaries. As at 31 December 2013, HK\$10,030,000 of the banking facilities were utilised by a subsidiary (2012: HK\$10,926,000).

Employee information

As at 31 December 2013, the Group employed 746 full-time employees (2012: 853).

The Group provides remuneration package to employees largely based on industry practice, individual performance, qualification and experience. In addition, discretionary bonus, incentives tied in with profit and share options 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. In respect of staff development, both in-house and external training and development programmes are conducted on a regular basis.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2013 (2012: Nil).

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Corporate Governance Code and Corporate Governance Report as stated in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") throughout the year ended 31 December 2013.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted 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 out in Appendix 10 to the Listing Rules.

On specific enquiries made, all the Directors confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions throughout the year ended 31 December 2013.

PURCHASE, SALE OR 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 year ended 31 December 2013.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed the financial statements of the Company for the year ended 31 December 2013. The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2013 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 Engagements issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND 2013 ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.midlandici.com.hk). The 2013 Annual Report will be despatched to the shareholders of the Company and will be published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

In 2013, the Group faced various difficulties and challenges. I would like to take this opportunity to express my sincere gratitude to our shareholders and customers for their continuous support, and to the management and all staff members for their hard work and dedication throughout the year.

By Order of the Board
Midland IC&I Limited
WONG Hon Shing, Daniel
Chief Executive Officer and Executive Director

Hong Kong, 27 March 2014

As at the date of this announcement, the Board comprises seven Directors, of which three are Executive Directors, namely Ms. TANG Mei Lai, Metty, Ms. WONG Ching Yi, Angela and Mr. WONG Hon Shing, Daniel; one is Non-executive Director, namely Mr. TSANG Link Carl, Brian (with Mr. CHU Kuo Fai, Gordon as his alternate); and three are Independent Non-executive Directors, namely Mr. YING Wing Cheung, William, Mr. SHA Pau, Eric and Mr. HO Kwan Tat, Ted.