

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2014

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 2014 together with comparative figures as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	Note	2014 HK\$'000	2013 HK\$'000
Revenues	3(a)	547,678	562,505
Other income	4	7,650	7,558
Staff costs		(280,464)	(295,616)
Rebate incentives		(128,927)	(101,273)
Advertising and promotion expenses		(14,538)	(18,781)
Operating lease charges in respect of office and shop premises		(34,031)	(34,156)
Impairment of receivables		(12,990)	(40,933)
Depreciation expenses		(6,984)	(7,035)
Other operating costs		(34,213)	(42,746)
Operating profit	5	43,181	29,523
Finance income	6	2,474	3,332
Finance costs	6	(179)	(196)
Profit before taxation		45,476	32,659
Taxation	7	(5,815)	(7,755)
Profit for the year attributable to equity holders		39,661	24,904

* For identification purpose only

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)*For the year ended 31 December 2014*

	<i>Note</i>	2014 HK\$'000	2013 <i>HK\$'000</i>
Other comprehensive income			
<u><i>Item that is reclassified to profit or loss</i></u>			
Release of currency translation differences arising from disposal of subsidiaries		-	11
<u><i>Item that may be subsequently reclassified to profit or loss</i></u>			
Currency translation differences		-	17
		<hr/>	<hr/>
Total comprehensive income for the year attributable to equity holders		39,661	24,932
		<hr/>	<hr/>
		HK cents	<i>HK cents</i>
Earnings per share	8		
Basic		0.289	0.182
Diluted		0.289	0.182
		<hr/>	<hr/>

CONSOLIDATED BALANCE SHEET*As at 31 December 2014*

	<i>Note</i>	2014 HK\$'000	2013 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property and equipment		5,835	12,177
Investment properties		59,550	57,400
Deferred taxation assets		3,760	2,064
		69,145	71,641
Current assets			
Trade and other receivables	10	241,929	185,939
Tax recoverable		521	1,496
Cash and bank balances		640,214	572,220
		882,664	759,655
Total assets		951,809	831,296
EQUITY AND LIABILITIES			
Equity holders			
Share capital		137,000	137,000
Share premium		549,168	549,168
Reserves		20,826	(19,714)
Total equity		706,994	666,454
Non-current liabilities			
Deferred taxation liabilities		466	473
Current liabilities			
Trade and other payables	11	231,367	151,788
Bank loan		9,118	10,030
Taxation payable		3,864	2,551
		244,349	164,369
Total liabilities		244,815	164,842
Total equity and liabilities		951,809	831,296
Net current assets		638,315	595,286
Total assets less current liabilities		707,460	666,927

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 head office and principal place of business 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 consolidated 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 consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties which are carried at fair values.

The consolidated financial statements are prepared in accordance with the applicable disclosure requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

(b) Amendments effective in 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

The adoption of the above amendments to 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.

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

The following new standards and amendments to standards have been issued but are not effective for 2014 and have not been early adopted by the Group.

Effective for the year ending 31 December 2015

Annual Improvements Project	Annual Improvements 2010-2012 Cycle
Annual Improvements Project	Annual Improvements 2011-2013 Cycle

2. Basis of preparation (continued)

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

Effective for the year ending 31 December 2016

HKAS 16 and HKAS 38 (Amendment) Annual Improvements Project	Clarification of Acceptable Methods of Depreciation and Amortisation Annual Improvements 2012-2014 Cycle
---	---

Effective for the year ending 31 December 2017

HKFRS 15	Revenue from Contracts with Customers
----------	--

Effective for the year ending 31 December 2018

HKFRS 9	Financial Instruments
---------	-----------------------

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

3. Revenues and segment information

(a) Revenues

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Turnover		
Agency fee	545,539	549,139
Internet education and related services	-	11,479
	<u>545,539</u>	<u>560,618</u>
Other revenues		
Rental income from a fellow subsidiary	2,046	1,825
Rental income from third party	93	42
Others	-	20
	<u>547,678</u>	<u>562,505</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 mainly includes the provision of internet education and related services. The internet education and related services business was disposed of in August 2013.

	Year ended 31 December 2014				
	Property agency				Total HK\$'000
	Commercial properties HK\$'000	Industrial properties HK\$'000	Shops HK\$'000	Others HK\$'000	
Total revenues	209,381	80,472	279,330	-	
Inter-segment revenues	(11,422)	(3,841)	(8,381)	-	(23,644)
Revenues from external customers	197,959	76,631	270,949	-	545,539
Segment results	18,025	5,263	42,526	(3)	65,811
Impairment of receivables	2,186	1,739	9,065	-	12,990
Depreciation expenses	2,414	2,202	2,118	-	6,734
Additions to non-current assets	294	28	255	-	577

3. Revenues and segment information (continued)

(b) Segment information (continued)

	Year ended 31 December 2013				
	Property agency				Total HK\$'000
	Commercial properties HK\$'000	Industrial properties HK\$'000	Shops HK\$'000	Others 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	<u>222,467</u>	<u>84,300</u>	<u>242,372</u>	<u>11,479</u>	<u>560,618</u>
Segment results	<u>28,265</u>	<u>(3,991)</u>	<u>18,202</u>	<u>568</u>	<u>43,044</u>
Impairment of receivables	12,926	10,214	17,131	662	40,933
Depreciation expenses	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

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 gain on investment properties, finance income, finance costs and taxation are not included in the segment 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:

	2014 HK\$'000	2013 HK\$'000
Revenues from external customers for reportable segments	545,539	560,618
Rental income from a fellow subsidiary	2,046	1,825
Rental income from third party	93	42
Others	-	20
Total revenues per consolidated statement of comprehensive income	<u>547,678</u>	<u>562,505</u>

3. Revenues and segment information (continued)

(b) Segment information (continued)

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

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Segment results for reportable segments	65,811	43,044
Service fee from a fellow subsidiary	5,264	-
Corporate expenses	(30,044)	(18,251)
Fair value gain on investment properties	2,150	4,730
Finance income	2,474	3,332
Finance costs	(179)	(196)
	<hr/>	<hr/>
Profit before taxation per consolidated statement of comprehensive income	45,476	32,659
	<hr/>	<hr/>

Segment assets and liabilities exclude corporate assets and liabilities and deferred taxation, all of which are managed on a central basis. The following is total segment assets and liabilities by reportable segment:

As at 31 December 2014

	<u>Property agency</u>				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	103,448	28,866	112,309	-	244,623
Segment liabilities	94,489	26,077	95,773	-	216,339

As at 31 December 2013

	<u>Property agency</u>				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

3. Revenues and segment information (continued)

(b) Segment information (continued)

Reportable segment assets are reconciled to total assets as follows:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Segment assets	244,623	328,778
Corporate assets	703,426	500,454
Deferred taxation assets	3,760	2,064
Total assets per consolidated balance sheet	951,809	831,296

Reportable segment liabilities are reconciled to total liabilities as follows:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Segment liabilities	216,339	139,703
Corporate liabilities	28,010	24,666
Deferred taxation liabilities	466	473
Total liabilities per consolidated balance sheet	244,815	164,842

4. Other income

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Fair value gain on investment properties	2,150	4,730
Gain on disposal of subsidiaries	-	2,205
Service fee from a fellow subsidiary	5,264	-
Others	236	623
	7,650	7,558

5. Operating profit

Operating profit is arrived at after charging:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Loss on disposal of property and equipment	46	208
Direct operating expenses arising from investment properties that generated rental income	21	27
Auditor's remuneration		
- Audit services	781	725
- Non-audit services	343	434
Fair value loss on financial assets at fair value through profit or loss	-	12

6. Finance income and costs

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Finance income		
Bank interest income	2,474	3,332
Finance costs		
Interest on borrowings not wholly repayable within five years (note)	(179)	(196)
Finance income, net	<u>2,295</u>	<u>3,136</u>

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

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Current		
Hong Kong profits tax	7,518	4,497
Deferred	(1,703)	3,258
	<u>5,815</u>	<u>7,755</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 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:

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Profit attributable to equity holders	39,661	24,904
Number of shares for calculation of basic and diluted earnings per share (thousands)	13,700,000	13,700,000
Basic earnings per share (HK cents)	0.289	0.182
Diluted earnings per share (HK cents)	0.289	0.182

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 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 earnings per share for the year ended 31 December 2014 and 2013 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 2014 (2013: Nil).

10. Trade and other receivables

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:

	2014 HK\$'000	2013 <i>HK\$'000</i>
Not yet due	214,306	136,803
Less than 30 days	3,560	15,601
31 to 60 days	4,133	4,437
61 to 90 days	950	1,293
91 to 180 days	171	3,148
Over 180 days	93	6,580
	223,213	167,862

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\$32,268,000 (2013: HK\$15,906,000) 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 2014, the Group recorded a profit attributable to equity holders of HK\$39,661,000, up 59% from 2013, while revenue for the year fell by 3% to HK\$547,678,000.

Profitability improved

According to the figures from Land Registry, in 2014, the value of sales registrations of non-residential properties fell by 28%, while the number of sales registrations of non-residential properties dropped by 11%, as compared with 2013. The fact that the Group's revenue fell less than the value of the sales registrations suggests that the Group outperformed the market last year.

The improvement in the Group's profitability could be mainly attributed to the sharp drop of the impairment of receivables which increased significantly in 2013 as a result of the adjustment of ad valorem stamp duty. As the market has become less speculative, impairment of receivables as a percentage of revenue fell to a lower level in 2014. During the year under review, the Group also spent efforts in containing costs. For instance, rental expenses stayed virtually flat and marketing expenses decreased.

Tough business environment

In general, investors and speculators were less keen to make move even some with strong and solid financial strength were still actively looking for investment opportunities. Clearly, the overall business environment remained challenging last year. Both buyers and sellers were reluctant to act. Low interest rate environment encouraged property owners to stay put while hefty stamp duty discouraged potential buyers to buy. Of course, low-end segment was relatively active because of low transaction cost incurred. However, its contribution to the overall market was minimal as the transaction value was low. Hence, average value per transaction fell by 19% in 2014.

Office, shop and industrial segments did not perform that well. First, the launch of Shanghai-Hong Kong Stock Connect has yet to boost the demand for office sector. Then, poor retail sales figures and weak tourist spending casted uncertainty over the outlook for shops. Industrial segment also suffered as it lost its appeal to the investors after prices for such premises rose sharply in past few years.

Good decisions bore good fruits

During the year under review, fortunately, the Group continued to reap benefits from the good business decisions made in the past. Some relatively new business initiatives, such as expansion of HKP shops division, have made contribution to the Group. For example, HKP shops division clinched the exclusivity of the sale of the subdivided units in Kingswood City. Also, it was appointed as the sole agent for the sale of several lots of car parks. And they received strong market response. Our team also brokered some remarkable rental transactions, such as the leasing of the whole of 19th Floor of Dah Sing Financial Centre in No. 108 Gloucester Road, Wanchai which was rented for approximately HK\$0.63 million per month, and Units 801-10 of Bank of America Tower in No. 12 Harcourt Road, Admiralty with monthly rental of approximately HK\$0.56 million. Meanwhile, during the year, the Group also handled some big deals, such as the sale and purchase of en-bloc building, "Union Park Tower" in No. 168 Electric Road, North Point of approximately HK\$450 million and the whole of 6th Floor of World-Wide House, No. 19 Des Voeux Road Central of approximately HK\$334 million.

Amid the challenging environment, the Group strove hard to enhance its brand value. Various property market seminars were held, strengthening our communication and relationship with clients. This kind of marketing event is particular efficient when the market is dominated by buyers with tight budget.

OUTLOOK

In 2015, GDP growth and inflation are expected to be moderate in Hong Kong. Undoubtedly, the macro-environment is full of uncertainties. Devaluations of major currencies, volatilities of commodities prices, and effectiveness of the central banks' monetary policies etc. are just some of the factors which can have material impacts on the global economy. However, there are signs that US economy has been recovering. If the world's biggest economy can continue to grow mildly without interest rates hikes, Hong Kong's economic growth will remain stable.

Reshaping by the central government, Mainland economy is expected to enter a new stage. China's GDP growth target was slashed to 7% in 2015 from 7.5% in 2014. Growth of the economy may slow down but it is expected to be more sustainable. Meanwhile, the central government has loosened monetary policies through interest rate cuts and adjustment of banks' reserve ratios so as to support economic activities. So the Group remains positive on the medium and long term outlook for the Mainland economy.

Stable economic outlook

Hong Kong is expected to gain continuously from the steady economic growth of Mainland. For instance, the Shanghai-Hong Kong Stock Connect which was launched last November helps strengthen the role of Hong Kong as the global financial hub. Even though its impact on the office sector still remains to be seen, the potential demand for office can be enormous if the tie between the two markets further strengthens. The Group is optimistic that if the proposed Shenzhen-Hong Kong Stock Connect is launched in the later part of this year, the office sector will benefit.

For the retail sector, the 10-year consecutive growth of retail sales finally came to an end last year. The drop in spending in Hong Kong of the Mainland tourists in the recent Chinese New Year holidays shows that the consolidation will not end soon. Demand for shops in prime shopping areas may further weaken. The flip side of the coin is that landlords who have been unwilling to cut price or rent may finally give in. A mild correction in price or rent may trigger transaction volume to rise.

Despite the year-on-year decline of 11% last year, the number of non-residential properties sales registrations registered an increase of 34% in the second half of 2014 as compared to the first half of 2014. Undeniably, the level of transaction activity did not come close to the level before the government intervention. However, market seems to have started to digest the impact of the property market cooling measures. And the latest round of the tightening of the mortgage requirements by Hong Kong Monetary Authority is not expected to affect the industrial, commercial and shop sectors significantly.

Kowloon East

According to the policy address, Kowloon East, an emerging core business district, has the potential to supply an additional commercial/office floor area of about 5 million square metres. The Government is considering relocating the existing government facilities in Kowloon East. Starting from 2014, some suitable sites within that area have been made available to the market. The Government will improve the infrastructure of this district and have plans to add some world-class tourism, entertainment and leisure attractions to it to

enhance its attractiveness. As the growth potential of that district increases, there are some big deals taking place in the market. One example is the Citigroup's acquisition of the East Tower at One Bay East for approximately HK\$5.425 billion. Another is the sale of a commercial site in Kwun Tong to joint venture formed by Link Reit and Nan Fung for approximately HK\$5.86 billion. This year, some new office towers are expected to be put up on the market for sale in Kowloon East, and the market responses are highly likely to be strong.

Seek opportunities for growth

Clearly, the market sentiment has improved but the appetite of the investors has not come back yet. Demand for local non-residential properties is still undermined by high transaction cost. Some investors are looking for investment properties abroad. Hence we have plans to develop overseas market. Meanwhile, we shall strengthen our ties with the China division of Midland Holdings Limited and look for new source of buyers for the local non-residential properties.

FINANCIAL REVIEW

Liquidity, financial resources and funding

As at 31 December 2014, the Group had cash and bank balances of HK\$640,214,000 (2013: HK\$572,220,000), whilst bank loan amounted to HK\$9,118,000 (2013: HK\$10,030,000). The Group's bank loan was secured by investment properties held by the Group of HK\$59,550,000 (2013: HK\$57,400,000) and with maturity profile set out as follows:

Repayable	2014 HK\$'000	2013 HK\$'000
Within 1 year	928	913
After 1 year but within 2 years	945	930
After 2 years but within 5 years	2,947	2,895
Over 5 years	4,298	5,292
	9,118	10,030

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 2014, the Group had unutilised banking facilities amounting to HK\$15,500,000 (2013: 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 2014, the gearing ratio of the Group was 1.3% (2013: 1.5%). The gearing ratio is calculated on the basis of the Group's total bank loan 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 3.6 (2013: 4.6).

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 2014, the Company executed corporate guarantees amounting to HK\$29,780,000 (2013: HK\$29,780,000) as the securities for general banking facilities and bank loan granted to certain wholly-owned subsidiaries. As at 31 December 2014, HK\$9,118,000 of the banking facilities were utilised by a subsidiary (2013: HK\$10,030,000).

The Group has been involved in certain claims/litigations in respect of property agency services, including a number of cases in which third party customers alleged that certain Group's employees, when advising the customers, had made misrepresentations about the properties that the customers intended to acquire. After seeking legal advice, the management is of the opinion that either an adequate provision has been made in the financial statements to cover any potential liabilities or that no provision is required as based on the current facts and evidence there is no indication that an outflow is probable.

Employee information

As at 31 December 2014, the Group employed 754 full-time employees (2013: 746).

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 profits 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 2014 (2013: Nil).

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Corporate Governance Code as stated in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the year ended 31 December 2014.

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 2014.

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 2014.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed the financial statements of the Company for the year ended 31 December 2014. The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2014 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 2014 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 2014 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 2014, 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, 25 March 2015

As at the date of this announcement, the Board comprises seven Directors, of which two are Executive Directors, namely Ms. WONG Ching Yi, Angela and Mr. WONG Hon Shing, Daniel; two are Non-Executive Directors, namely Ms. TANG Mei Lai, Metty and 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.