

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



MIDLAND IC&I LIMITED

美聯工商舖有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8090)

**GENERAL MANDATES
TO ISSUE NEW SHARES AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting of the Company to be held at Room 1801A, 18th Floor, One Grand Tower, 639 Nathan Road, Mongkok, Kowloon, Hong Kong on 15 May 2008 at 12:00 noon is set out in this circular.

A form of proxy for the 2008 annual general meeting is enclosed with this circular. Whether or not you propose to attend the 2008 annual general meeting, you are requested to complete the form of proxy and return the same to the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for 7 days from the date of its posting.

* For identification purpose only

"Where the English and the Chinese texts conflict, the English text prevails"

31 March 2008

CHARACTERISTICS OF GEM

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

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. GEM-listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“2007 Annual Report”	the audited consolidated financial statements and the reports of the directors and auditors of the Company for the year ended 31 December 2007
“AGM”	the annual general meeting of the Company to be held at Room 1801A, 18th Floor, One Grand Tower, 639 Nathan Road, Mongkok, Kowloon, Hong Kong on 15 May 2008 at 12:00 noon
“Articles”	The articles of association of the Company
“Board”	the board of Directors
“Company”	Midland IC&I Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Issue Mandate”	the general mandate to allot, issue and deal with shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the resolution approving the Issue Mandate
“Latest Practicable Date”	28 March 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Midland”	Midland Holdings Limited, a company incorporated in Bermuda and the holding company of the Company, the shares of which are listed on the Main Board of the Stock Exchange

DEFINITIONS

“Midland Group”	Midland and its subsidiaries
“Notice of AGM”	the notice convening the AGM set out on pages 16 to 19 of this circular
“Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase shares up to a maximum of 10% of the issued share capital of the Company as at the date of the resolution approving the Repurchase Mandate
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



MIDLAND IC&I LIMITED

美聯工商舖有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8090)

Executive Directors:

Mr. WONG Tsz Wa, Pierre
Ms. IP Kit Yee, Kitty
Ms. YUEN Wing Kwan, Annie

Non-Executive Director:

Mr. TSANG Link Carl, Brian

Independent Non-executive Directors:

Mr. HO Kwan Tat, Ted
Mr. KOO Fook Sun, Louis
Mr. SHA Pau, Eric
Mr. YING Wing Cheung, William

Registered Office:

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

Head Office and

Principal Place of Business:

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

31 March 2008

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES
TO ISSUE NEW SHARES AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The Directors were granted general unconditional mandates to issue Shares and to repurchase by the Company the Shares on the GEM by ordinary resolutions of the Shareholders in the annual general meeting of the Company held on 23 April 2007. The existing general mandates will expire at the conclusion of the AGM.

The purpose of this circular is to provide you with information about the notice of AGM and on matters to be dealt with at the forthcoming AGM. They are (i) re-election of Directors and (ii) the proposed general mandates to issue new Shares and to repurchase Shares.

* For identification purpose only

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the Board consists of eight Directors, namely Mr. WONG Tsz Wa, Pierre, Ms. IP Kit Yee, Kitty and Ms. YUEN Wing Kwan, Annie as executive Directors, Mr. TSANG Link Carl, Brian as non-executive Director, and Messrs. HO Kwan Tat, Ted, KOO Fook Sun, Louis, SHA Pau, Eric and YING Wing Cheung, William as independent non-executive Directors.

According to Article 86 of the Articles, Mr. WONG Tsz Wa, Pierre, Ms. YUEN Wing Kwan, Annie and Mr. HO Kwan Tat, Ted shall retire at the AGM but, being eligible, offer themselves for re-election.

Brief biographical details of the retiring Directors proposed to be re-elected at the AGM are set out as follows:-

Mr. WONG Tsz Wa, Pierre, aged 44, has been the Executive Director and Chief Executive Officer of the Company since June 2007. He is responsible for the Group's overall business strategy and development and implementation of corporate strategies and policy in achieving the overall business objectives. Mr. WONG is also responsible for overseeing the frontline sales force, surveying, public relations and marketing functions of the Group. He is also a director of certain subsidiaries of the Company. Mr. WONG joined Midland in 1993 and joined the Group in 2007. Mr. WONG holds a bachelor of law (Honors) degree and has over 20 years of experience in non-residential property broking business in Hong Kong.

Save as disclosed above, as at the Latest Practicable Date, Mr. WONG is not related to any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company and he did not hold any directorship in other listed companies in the last three years. Save as disclosed above, Mr. WONG does not hold any other position with the Company or other members of the Company's group.

As at the Latest Practicable Date, Mr. WONG does not have, and is not deemed to have, any interests in any Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. WONG has entered into a service agreement with the Company for a term of 3 years commenced from 11 June 2007 and is entitled to a fixed monthly salary of HK\$80,000, monthly commission and monthly profit sharing both calculated according to the sales performance and profits arising from the Group's property agency business in the relevant calendar month, and year end profit sharing calculated with reference to the Group's profits in the relevant financial year. Mr. WONG is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. The remuneration package entitled by Mr. WONG is determined by the Remuneration Committee with reference to his responsibilities, time commitment and prevailing market conditions.

LETTER FROM THE BOARD

Save as disclosed herein, there is no other information related to Mr. WONG that needs to be disclosed pursuant to the requirements of Rule 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Ms. YUEN Wing Kwan, Annie, aged 35, has been the Executive Director of the Company since March 2008. Ms. YUEN is currently the Company Secretary of the Company and an assistant director and Head of Company Secretarial Department of Midland. Ms. YUEN is responsible for overseeing the compliance and company secretarial matters within the Group, providing advice to its corporate exercise, adaptation of latest corporate governance and internal control policies. She is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries and holds a master degree in business administration. She has over 10 years of experience in the company secretarial profession. Prior to joining Midland in 2004, Ms. YUEN had worked for two listed companies in Hong Kong. Ms. YUEN is also a member of remuneration committee and nomination committee of the Company.

Save as disclosed above, as at the Latest Practicable Date, Ms. YUEN is not related to any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company nor did she hold any directorship in other listed companies in the last three years. Save as disclosed above, Ms. YUEN does not hold any position with the Company or other members of the Company's group.

As at the Latest Practicable Date, Ms. YUEN does not have, and is not deemed to have, any interests in any shares of the Company within the meaning of Part XV of the SFO.

Pursuant to the appointment letter given by the Company to Ms. YUEN, she is entitled to a director's fee of HK\$10,000 per annum, there is no specified length of service period with the Company and she is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. The remuneration package entitled by Ms. YUEN is determined by the Remuneration Committee with reference to the fact that she is also salaried employee of Midland and her duties and responsibilities in the Company.

Save as disclosed herein, there is no other information related to Ms. YUEN that needs to be disclosed pursuant to the requirements of Rule 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Mr. HO Kwan Tat, Ted, aged 43, has been the Independent Non-executive Director of the Company since December 2007. Mr. HO is a practicing Certified Public Accountant in Hong Kong and is now a partner of World Link CPA Limited. He is a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He has extensive experience in audit

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and taxation. Mr. HO is currently also an independent non-executive director of another two companies listed on the Main Board of the Stock Exchange, namely E2-Capital (Holdings) Limited and The Sun's Group Limited. Mr. HO is also a member of the audit committee of the Company.

Save as disclosed above, as at the Latest Practicable Date, Mr. HO is not related to any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company nor did he hold any directorship in other listed companies in the last three years. Save as disclosed above, Mr. HO does not hold any other position with the Company or other members of the Company's group.

As at the Latest Practicable Date, Mr. HO does not have, and is not deemed to have, any interests in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. HO has entered into an appointment letter with the Company for a term of one year commenced from 22 December 2007 and he is entitled to a director's fee of HK\$80,000 per annum. Mr. HO is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. The remuneration package entitled by Mr. HO is determined by the Board with reference to his duties and responsibilities with the Company, time commitment, prevailing market rate, his expertise input into the Group's affairs, the Company's performance and the Company's remuneration policy.

Save as disclosed herein, there is no other information related to Mr. HO that needs to be disclosed pursuant to the requirements of Rule 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

According to Article 87 of the Articles, Mr. KOO Fook Sun, Louis, Mr. SHA Pau, Eric and Mr. YING Wing Cheung, William shall retire at the AGM but, being eligible, offer themselves for re-election.

Brief biographical details of the retiring Directors proposed to be re-elected at the AGM are set out as follows:–

Mr. KOO Fook Sun, Louis, aged 51, has been an Independent Non-executive Director of the Company since June 2005. Mr. KOO is the founder and the managing director of Hercules Capital Limited, a corporate finance advisory firm. Mr. KOO has many years of experience in investment banking and professional accounting. He was a managing director and head of the corporate finance department of a major international bank, a director and chief executive officer of a Main Board listed company. He currently also serves as an independent non-executive director of another six companies listed on the Main Board of the Stock Exchange, namely China Communications Construction Company Limited, Good Friend International Holdings Inc., Li Ning Company Limited, Weichai Power Co., Ltd., Xingda International Holdings Limited and Midland, the Company's ultimate holding

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company, and one company listed on the GEM, namely Richfield Group Holdings Limited. Mr. KOO graduated with a bachelor's degree in business administration from the University of California at Berkeley and is a member of the Hong Kong Institute of Certified Public Accountants. Mr. KOO is also the chairman of the audit committee and a member of the remuneration committee and nomination committee of the Company.

Save as disclosed above, as at the Latest Practicable Date, Mr. KOO is not related to any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company nor did he hold any directorship in other listed companies in the last three years. Save as disclosed above, Mr. KOO does not hold any other position with the Company or other members of the Company's group.

As at the Latest Practicable Date, Mr. KOO does not have, and is not deemed to have, any interests in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. KOO has entered into an appointment letter with the Company for a term of one year commenced from 3 August 2007 and he is entitled to a director fee of HK\$100,000 per annum. Mr. KOO is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. The remuneration package entitled by Mr. KOO is determined by the Board with reference to his duties and responsibilities with the Company, time commitment, prevailing market rate, his expertise input into the Group's affairs, the Company's performance and the Company's remuneration policy.

Save as disclosed herein, there is no other information related to Mr. KOO that needs to be disclosed pursuant to the requirements of Rule 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Mr. SHA Pau, Eric, aged 50, has been the Independent Non-executive Director of the Company since March 2006. Mr. SHA is the founder of and is currently the managing director of Konda Industries Limited, a special leather goods manufacturing and exporting firm. Mr. SHA has over 22 years of solid experience in international marketing field and is now specified in corporate strategy formulation, overall management and marketing. He holds a bachelor's degree in arts from Windsor University, Ontario, Canada. Mr. SHA is also a member of audit committee, remuneration committee and nomination committee of the Company.

Save as disclosed above, as at the Latest Practicable Date, Mr. SHA is not related to any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company nor did he hold any directorship in other listed companies in the last three years. Save as disclosed above, Mr. SHA does not hold any other position with the Company or other members of the Company's group.

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As at the Latest Practicable Date, Mr. SHA does not have, and is not deemed to have, any interests in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. SHA has entered into an appointment letter with the Company for a term of one year commenced from 13 March 2008 and he is entitled to a director fee of HK\$80,000 per annum. Mr. SHA is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. The remuneration package entitled by Mr. SHA is determined by the Board with reference to his duties and responsibilities with the Company, time commitment, prevailing market rate, his expertise input into the Group's affairs, the Company's performance and the Company's remuneration policy.

Save as disclosed herein, there is no other information related to Mr. SHA that needs to be disclosed pursuant to the requirements of Rule 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Mr. YING Wing Cheung, William, aged 57, has been the Independent Non-executive Director of the Company since May 2005. Mr. YING has over 30 years of experience in electronic products manufacturing business and is well versed in marketing and corporate strategic planning. Mr. YING is currently a managing director of Way Mild Company Limited and a director of Yangzhou Jiang Jia Electronics Co. Ltd. He has been appointed as a member of Guangdong Committee of Chinese People's Political Consultative Conference for the Eighth, Ninth and Tenth Terms since 1998 to 2013. Mr. YING was also a member of Jiangmen Committee of Chinese People's Political Consultative Conference for the Eighth Term and the Ninth Term since 1993 to 2003. Mr. YING serves in many social organisations; he is currently a president of Sze Yap Clansmen Association (New Territories, Hong Kong) Limited and a member of Jiangsu Province Chinese Overseas Friendship Association. Mr. YING is also a member of audit committee, remuneration committee and nomination committee of the Company.

Save as disclosed above, as at the Latest Practicable Date, Mr. YING is not related to any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company nor did he hold any directorship in other listed companies in the last three years. Save as disclosed above, Mr. YING does not hold any other position with the Company or other members of the Company's group.

As at the Latest Practicable Date, Mr. YING does not have, and is not deemed to have, any interests in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. YING has entered into an appointment letter with the Company for a term of one year commenced from 17 May 2007 and he is entitled to a director fee of HK\$80,000 per annum. Mr. YING is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles. The

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remuneration package entitled by Mr. YING is determined by the Board with reference to his duties and responsibilities with the Company, time commitment, prevailing market rate, his expertise input into the Group's affairs, the Company's performance and the Company's remuneration policy.

Save as disclosed herein, there is no other information related to Mr. YING that needs to be disclosed pursuant to the requirements of Rule 17.50(2) of the GEM Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

GENERAL MANDATE

At the 2007 annual general meeting, ordinary resolutions were proposed to renew the Issue Mandate and Repurchase Mandate given to the Directors to:

- (a) allot, issue and deal with shares not exceeding 20% of the aggregate of the total nominal value of the share capital of the Company in issue as at the date of passing of the resolution approving the issue mandate;
- (b) to repurchase shares not exceeding 10% of the aggregate of the total nominal value of the share capital of the Company in issue as at the date of passing of the resolution approving the repurchase mandate; and
- (c) add to the allotment mandate for issuing shares set out in (a) above the number of shares repurchased by the Company pursuant to the repurchase mandate set out in (b) above.

The general mandates will expire at the conclusion of the AGM and the purpose of this circular is to request your support to renew the general mandates at the AGM.

ISSUE MANDATE

At the AGM, an ordinary resolution will be proposed which, if passed, will give the Directors the Issue Mandate to exercise the powers of the Company to allot, issue and otherwise deal with additional Shares up to a maximum of 20% of the issued share capital of the Company at the date of passing of the resolution. In addition, conditional upon the proposed resolution to grant to the Directors the Repurchase Mandate being passed, an ordinary resolution will be proposed to authorise the Directors to allot, issue and otherwise deal with new Shares up to an amount equal to the aggregate nominal amount of the Shares repurchased by the Company in order to provide flexibility for issuing new Shares when it is in the interests of the Company.

The Company had an aggregate of 8,300,000,000 Shares in issue as at the Latest Practicable Date. There was no issue of Share in the past twelve months. Subject to the passing of the proposed resolution for the approval of the Issue Mandate, the Company will therefore be allowed to allot and issue up to a maximum of 1,660,000,000 Shares, representing 20% of the issued share capital of the Company.

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The Issue Mandate will expire on the day being 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 Articles, or any other applicable law of the Cayman Islands to be held; and (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

REPURCHASE MANDATE

An ordinary resolution will be proposed at the AGM to grant to the Directors the Repurchase Mandate, details of which are set out in ordinary resolution no. 4 in the Notice of AGM. The Shares which may be repurchased pursuant to Repurchase Mandate is limited to a maximum of 10% of the issued share capital of the Company at the date of passing of the resolution approving the Repurchase Mandate.

The Company had an aggregate of 8,300,000,000 Shares in issue as at the Latest Practicable Date. There was no purchase of share in the past twelve months. Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate, the Company will therefore be allowed to repurchase up to a maximum of 830,000,000 Shares, representing 10% of the issued share capital of the Company.

The Repurchase Mandate, if granted, will continue in force until the earliest of (i) the conclusion of next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company's is required by the Articles or any applicable laws to be held; or (iii) its revocation or variation by an ordinary resolution of the shareholders of the Company in general meeting.

Details of the above ordinary resolutions are set out in ordinary resolutions nos. 4, 5 and 6 in the Notice of AGM.

EXPLANATORY STATEMENT

The Appendix to this circular contains an explanatory statement, as required by Rule 13.08 of the GEM Listing Rules, to provide the requisite information to the Shareholders to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to grant the Issue Mandate and the Repurchase Mandate.

ANNUAL GENERAL MEETING

Set out on pages 16 to 19 in this circular is a notice of AGM convening the AGM at which the ordinary resolutions will be proposed to approve the re-election of the retiring Directors, the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate to the Directors.

A form of proxy for the AGM is enclosed with this circular. Whether you intend to attend the AGM or not, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share

LETTER FROM THE BOARD

registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for the AGM. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM in person if you so wish.

PROCEDURE BY WHICH THE SHAREHOLDERS MAY DEMAND A POLL

The following procedure by which the Shareholders may demand a poll at a general meeting of the Company (including the AGM) pursuant to the Articles.

According to Article 66, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded: (a) by the chairman of such meeting; or (b) by at least five Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or (c) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation, by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or (d) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

RECOMMENDATION

The Directors believe that the proposed grant of the Issue Mandate, the Repurchase Mandate and the re-election of Director are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions relating to the Issue Mandate and the Repurchase Mandate and the re-election of Directors to be proposed at the AGM.

Yours faithfully,
By order of the Board
WONG Tsz Wa, Pierre
*Executive Director and
Chief Executive Officer*

This is an explanatory statement given to all Shareholders relating to the resolution to be proposed at the AGM authorising the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules and the Stock Exchange.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 8,300,000,000 Shares.

Subject to the passing of the ordinary resolution no. 4 set out in the notice of AGM and on the basis that no further shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 830,000,000 Shares during the period from the date (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 Articles or any applicable laws of the Cayman Islands to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and Shareholders as a whole for the Directors to have general authority from Shareholders to enable the Company to repurchase Shares in the market. Repurchases of Shares will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association, the GEM Listing Rules and the applicable laws of the Cayman Islands. The Company may not repurchase its own Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. The Cayman Islands law provides that the amount of capital repaid in connection with a Share repurchase may only be paid out of either the capital paid up on the relevant Shares, or the profits that would otherwise be available for distribution by way of dividend or the proceeds of a new issue of Shares made for such purpose. The amount of premium payable on redemption may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the Share premium of the Company. Under the Cayman Islands law, the repurchased Shares will remain part of the authorised but unissued share capital.

4. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the 2007 Annual Report) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing level which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the GEM during each of the previous twelve months before the Latest Practicable Date are as follow:

	Price Per Share	
	Highest HK\$	Lowest HK\$
2007		
March	0.227	0.108
April	0.315	0.158
May	0.280	0.188
June	0.250	0.179
July	0.224	0.175
August	0.180	0.101
September	0.115	0.085
October	0.111	0.080
November	0.138	0.071
December	0.095	0.073
2008		
January	0.130	0.078
February	0.102	0.084
March (up to the Latest Practicable Date)	0.089	0.050

6. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands.

7. TAKEOVERS CODE CONSEQUENCE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders are interested in more than 10 per cent. of the shares then in issue:

Name of shareholders	Number of issued shares	Capacity in which shares are held	Percentage of the issued share capital
Midland	9,700,000,000 (Note)	Beneficial owner and interest in controlled corporation	116.87%
Tretsfeld Investments Limited ("Tretsfeld")	5,400,000,000 (Note)	Beneficial owner	65.06%

Note: These underlying shares refer to the Shares to be issued upon full conversion of the Convertible Note in the principal amount of HK\$540 million issued by the Company to Tretsfeld. Tretsfeld is a wholly-owned subsidiary of Midland. The percentage holding of Midland and Tretsfeld represents their interest in the enlarged issued share capital of the Company after full conversion of the Convertible Note.

All the interests disclosed above represent long position in the Shares.

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the Directors will take necessary steps to comply with the GEM Listing Rules and the Takeovers Code and the total interests of the above Shareholders in the Shares would be increased to:

Name of Shareholders	Percentage holding
Midland	129.85%
Tretsfeld	72.29%

All the interests disclosed above represent long position in the Shares.

The Directors are not aware of any consequences which may arise under the Takeover Code as a consequences of any repurchase made under the Repurchase Mandate. However, the Company may not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

The Directors do not have any present intention to exercise repurchases to such extent as would result in takeover obligation on the substantial shareholders and any party acting in concert with him/her or it to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their associates (as defined in the GEM Listing Rules) has notified the Company of any present intention, if the Repurchase Mandate is approved by the Shareholders to sell Shares to the Company or its subsidiaries.

No connected person (as defined in the GEM Listing Rules) has notified the Company that it has a present intention to sell shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

8. SHARES REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Shares in the six months preceding the Latest Practicable Date.

NOTICE OF AGM



MIDLAND IC&I LIMITED

美聯工商舖有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8090)

NOTICE IS HEREBY GIVEN that the annual general meeting of Midland IC&I Limited (the "Company") will be held at Room 1801A, 18th Floor, One Grand Tower, 639 Nathan Road, Mongkok, Kowloon, Hong Kong on 15 May 2008 at 12:00 noon to transact the following ordinary businesses:

1. to receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 December 2007;
2. to re-elect directors and to authorise the board of directors to fix the directors' remuneration;
3. to re-appoint Messrs. PricewaterhouseCoopers as auditors of the Company to hold office until the conclusion of the next annual general meeting and to authorise the board of directors to fix their remuneration; and

Special Businesses

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

4. "THAT:
 - (a) subject to paragraph (c) below, pursuant to the GEM Listing Rules, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for the shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

* For identification purpose only

NOTICE OF AGM

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as herein defined); or (ii) the exercise of any options granted under any share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares, shall not exceed the aggregate of:

- (1) 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (2) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of that resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the date of 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 articles of association of the Company, or any other applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

NOTICE OF AGM

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the directors of the Company to holders of shares in the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. **“THAT:**

- (a) the exercise by the directors of the Company during the Relevant Period of all powers of the Company to repurchase the shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognized by The Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of The Securities and Futures Commission of Hong Kong, the Stock Exchange, the GEM Listing Rules and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares which may be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of 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 articles of association the Company, or any other applicable law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

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6. “**THAT** the directors of the Company be and are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 4 above in respect of the share capital of the Company referred to in sub-paragraph (2) of paragraph (c) of such resolution.”

By order of the Board
Midland IC&I Limited
YUEN Wing Kwan, Annie
*Executive Director and
Company Secretary*

Hong Kong, 31 March 2008

Head office and principal place of business:
Room 1801A, 18th Floor
One Grand Tower
639 Nathan Road
Mongkok, Kowloon
Hong Kong

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

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. A form of proxy for use at the annual general meeting will be despatched to the shareholders with this circular. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company’s Hong Kong branch registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong no later than 48 hours before the time of the meeting or any adjourned meeting complete and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish.
3. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders for the grant to the directors of a general mandate to authorise the allotment and issue of shares under the GEM Listing Rules. The directors have no immediate plans to issue any new shares other than shares which may fall to be issued under any share option scheme of the Company or any scrip dividend scheme which may be approved by the shareholders.
4. In relation to proposed resolution no. 5 above, the directors wish to state that they will exercise the powers conferred thereby to repurchase shares in circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the GEM Listing Rules will be set out in a separate document to be despatched to the shareholders with the this circular.