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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 2015

The board of directors (the “Board”) of Midland IC&I Limited (the “Company”) announces the audited consolidated annual results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2015 together with comparative figures as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the year ended 31 December 2015*

	Note	2015 HK\$'000	2014 HK\$'000
Revenues	3(a)	470,143	547,678
Other income	4	2,359	7,650
Staff costs		(251,004)	(280,464)
Rebate incentives		(90,892)	(128,927)
Advertising and promotion expenses		(21,148)	(14,538)
Operating lease charges in respect of office and shop premises		(37,593)	(34,031)
Impairment of receivables		(26,012)	(12,990)
Depreciation expenses		(4,445)	(6,984)
Other operating costs		(37,125)	(34,213)
Operating profit	5	4,283	43,181
Finance income	6	1,953	2,474
Finance costs	6	(164)	(179)
Profit before taxation		6,072	45,476
Taxation	7	(3,701)	(5,815)
Profit and total comprehensive income for the year attributable to equity holders		2,371	39,661

\* For identification purpose only

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)***For the year ended 31 December 2015*

	<i>Note</i>	<b>2015</b> <b><i>HK cents</i></b>	2014 <i>HK cents</i>
Earnings per share	8		
Basic		<b>0.017</b>	0.289
Diluted		<b>0.017</b>	0.289

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**CONSOLIDATED BALANCE SHEET***As at 31 December 2015*

	<i>Note</i>	<b>2015</b> <b>HK\$'000</b>	2014 <i>HK\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		<b>7,169</b>	5,835
Investment properties		<b>60,200</b>	59,550
Deferred taxation assets		<b>1,934</b>	3,760
		<b>69,303</b>	69,145
<b>Current assets</b>			
Trade and other receivables	10	<b>146,200</b>	241,929
Tax recoverable		<b>1,876</b>	521
Cash and bank balances		<b>675,291</b>	640,214
		<b>823,367</b>	882,664
<b>Total assets</b>		<b>892,670</b>	951,809
<b>EQUITY AND LIABILITIES</b>			
<b>Equity holders</b>			
Share capital		<b>137,050</b>	137,000
Share premium		<b>549,433</b>	549,168
Reserves		<b>24,318</b>	20,826
<b>Total equity</b>		<b>710,801</b>	706,994
<b>Non-current liabilities</b>			
Deferred taxation liabilities		<b>540</b>	466
<b>Current liabilities</b>			
Trade and other payables	11	<b>173,141</b>	231,367
Bank loan		<b>8,188</b>	9,118
Taxation payable		-	3,864
		<b>181,329</b>	244,349
<b>Total liabilities</b>		<b>181,869</b>	244,815
<b>Total equity and liabilities</b>		<b>892,670</b>	951,809

## 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.

#### (b) Amendments effective in 2015

HKAS 19 (2011) (Amendment)	Defined Benefit Plans: Employee Contributions
Annual Improvements Project	Annual Improvements 2010-2012 Cycle
Annual Improvements Project	Annual Improvements 2011-2013 Cycle

The adoption of the above amendments 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.

#### (c) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

#### (d) 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 2015 and have not been early adopted by the Group.

#### Effective for the year ending 31 December 2016

HKAS 1 (Amendment)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation

## 2. Basis of preparation (Continued)

### (d) Standards, interpretations and amendments which are not yet effective (Continued)

#### Effective for the year ending 31 December 2016 (Continued)

HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts
Annual Improvements Project	Annual Improvements 2012-2014 Cycle

#### Effective for the year ending 31 December 2018

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Agency fee	467,190	545,539
Other revenues		
Rental income from fellow subsidiaries	2,154	2,046
Rental income from third parties	799	93
Total revenues	<u>470,143</u>	<u>547,678</u>

### (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.

### 3. Revenues and segment information (Continued)

#### (b) Segment information (Continued)

Year ended 31 December 2015

	Property agency			Total HK\$'000
	Commercial properties HK\$'000	Industrial properties HK\$'000	Shops HK\$'000	
Total revenues	195,290	104,250	189,696	489,236
Inter-segment revenues	(11,415)	(5,666)	(4,965)	(22,046)
Revenues from external customers	183,875	98,584	184,731	467,190
Segment results	33,603	4,798	(8,048)	30,353
(Reversal of impairment)/ impairment of receivables	(2,029)	(983)	29,024	26,012
Depreciation expenses	1,364	1,109	1,770	4,243
Additions to non-current assets	439	1,762	3,552	5,753

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	-	569,183
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)

The Executive Directors assess the performance of the operating segments based on a measure of operating results from each reportable segment. Service fee income from fellow subsidiaries, 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:

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenues from external customers for reportable segments	<b>467,190</b>	545,539
Rental income from fellow subsidiaries	<b>2,154</b>	2,046
Rental income from third parties	<b>799</b>	93
	<hr/>	<hr/>
Total revenues per consolidated statement of comprehensive income	<b>470,143</b>	547,678
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A reconciliation of segment results to profit before taxation is provided as follows:

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Segment results for reportable segments	<b>30,353</b>	65,811
Service fee income from fellow subsidiaries	<b>711</b>	5,264
Corporate expenses	<b>(27,431)</b>	(30,044)
Fair value gain on investment properties	<b>650</b>	2,150
Finance income	<b>1,953</b>	2,474
Finance costs	<b>(164)</b>	(179)
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Profit before taxation per consolidated statement of comprehensive income	<b>6,072</b>	45,476
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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:

### 3. Revenues and segment information (Continued)

#### (b) Segment information (Continued)

As at 31 December 2015

	Property agency			Total HK\$'000
	Commercial properties HK\$'000	Industrial properties HK\$'000	Shops HK\$'000	
Segment assets	53,688	32,029	68,001	153,718
Segment liabilities	69,348	30,225	57,107	156,680

As at 31 December 2014

	Property agency			Total HK\$'000
	Commercial properties HK\$'000	Industrial properties HK\$'000	Shops HK\$'000	
Segment assets	103,448	28,866	112,309	244,623
Segment liabilities	94,489	26,077	95,773	216,339

Reportable segment assets are reconciled to total assets as follows:

	2015 HK\$'000	2014 HK\$'000
Segment assets	153,718	244,623
Corporate assets	737,018	703,426
Deferred taxation assets	1,934	3,760
Total assets per consolidated balance sheet	892,670	951,809

Reportable segment liabilities are reconciled to total liabilities as follows:

	2015 HK\$'000	2014 HK\$'000
Segment liabilities	156,680	216,339
Corporate liabilities	24,649	28,010
Deferred taxation liabilities	540	466
Total liabilities per consolidated balance sheet	181,869	244,815



#### 4. Other income

	<b>2015</b> <b>HK\$'000</b>	2014 <b>HK\$'000</b>
Fair value gain on investment properties	<b>650</b>	2,150
Service fee income from fellow subsidiaries	<b>711</b>	5,264
Others	<b>998</b>	236
	<b><u>2,359</u></b>	<b><u>7,650</u></b>

#### 5. Operating profit

Operating profit is arrived at after charging:

	<b>2015</b> <b>HK\$'000</b>	2014 <b>HK\$'000</b>
Loss on disposal of property and equipment	-	46
Direct operating expenses arising from investment properties that generated rental income	<b>18</b>	21
Auditor's remuneration		
- Audit services	<b>806</b>	781
- Non-audit services	<b>343</b>	343
	<b><u>343</u></b>	<b><u>343</u></b>

#### 6. Finance income and costs

	<b>2015</b> <b>HK\$'000</b>	2014 <b>HK\$'000</b>
Finance income		
Bank interest income	<b>1,953</b>	2,474
Finance costs		
Interest on borrowings	<b>(164)</b>	(179)
	<b><u>1,789</u></b>	<b><u>2,295</u></b>

#### 7. Taxation

	<b>2015</b> <b>HK\$'000</b>	2014 <b>HK\$'000</b>
Current		
Hong Kong profits tax	<b>1,801</b>	7,518
Deferred	<b>1,900</b>	(1,703)
	<b><u>3,701</u></b>	<b><u>5,815</u></b>

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 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:

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit attributable to equity holders	<b>2,371</b>	39,661
Number of shares for calculation of basic earnings per share (thousands)	<b>13,702,356</b>	13,700,000
Effect on conversion of share options (thousands)	<b>9,784</b>	-
Number of shares for calculation of diluted earnings per share (thousands)	<b>13,712,140</b>	13,700,000
Basic earnings per share (HK cents)	<b>0.017</b>	0.289
Diluted earnings per share (HK cents)	<b>0.017</b>	0.289

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 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 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 2015 (2014: 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:

	<b>2015</b>	2014
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Not yet due	<b>114,038</b>	214,306
Less than 30 days	<b>4,379</b>	3,560
31 to 60 days	<b>1,451</b>	4,133
61 to 90 days	<b>3,936</b>	950
91 to 180 days	<b>928</b>	171
Over 180 days	<b>767</b>	93
	<b><u>125,499</u></b>	<u>223,213</u>

## 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\$27,547,000 (2014: HK\$32,268,000) 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 2015, the Group recorded a profit attributable to equity holders of HK\$2,371,000, 94% down from 2014, and its revenue for the year decreased by 14% to HK\$470,143,000.

#### **Market turned sour in the second half of 2015**

According to the figures from Land Registry, in 2015, the value and volume of sales registrations of non-residential properties in Hong Kong recorded a year-on-year growth of 15.9% and 14.1% respectively. The increase was mainly driven by the strong surge in equities markets in the first few months of 2015 in both mainland China and Hong Kong which resulted in a positive market sentiment. However, the market took an abrupt turn in the second half of 2015 when the overall investment sentiment was battered by the poor performance of the stock market and the depreciation of Renminbi. Indeed, the value of sales registrations of non-residential properties posted a strong growth of 58.5% in the first half of 2015 but it fell 16% in the final six months of 2015. If some exceptional registrations such as intra-group property transactions made by developers are stripped out, the value of sales registrations of non-residential properties just rose by 11% last year.

During the year, office sector outperformed as mainland financial institutions were active in purchasing office premises in Hong Kong. For instance, China Life Insurance group acquired an office tower with retail space in Hung Hom from the Wheelock group for HK\$5.85 billion, marking the largest single office tower purchase in Kowloon district. Supported by strong sales activity of stratified units, the industrial property sector also showed growth in the number of sales registrations. Low interest rate environment, lack of investment channel, and strong desire to invest in brick-and-mortar continued to stimulate demand for small-sized industrial units. For example, sales responses to the stratified units of the iPLACE and The Star were strong. However, the shop segment performed poorly as retail sector faced strong headwinds. In 2015, retail sales fell by 3.7% while it stayed virtually flat in 2014.

#### **Operating costs increased**

The Group's margin was squeezed in 2015. The sharp turnaround of the market performance rendered the whole business environment difficult. Buoyancy of the equities market in the first half of 2015 led to the expansion of the estate agency industry and rental expenses also went up because of positive rental revision, so the whole industry suffered from a high cost base last year. During the reporting year, the impairment of receivables rose significantly as a transaction with consideration at above HK\$1 billion fell through.

### **OUTLOOK**

The global economy is full of challenges in 2016. Pace of the increase of interest rate, strengthening of US dollars, concerns over slowdown in global economic growth, fluctuations of oil prices and trend of Renminbi will continue to cast doubt over the development of the world economy. The volatilities in the equities market in mainland China and Hong Kong have been high. However, the central government has stepped up its effort in reviving the economy in mainland China. As a result, property markets of the tier-1 mainland cities have performed strongly. The Group believes that stimulative measures coupled with economic reforms can benefit the long term development of the economy in mainland China.

The prospects of the local economy are also full of challenges. Strong US dollars have hit the tourism industry very hard. Last year, the number of tourist arrivals to Hong Kong fell by 2.5%. During the recent Lunar New Year holidays, the mainland tourists arriving Hong Kong fell while those visiting Macau grew notwithstanding that the exchange rate between Hong Kong dollars and Macao patacas has been stable. This is an alarming sign for Hong Kong's tourism industry as this shows that factors other than currency rate have contributed to the drop in the number of tourists visiting Hong Kong. Even worryingly, the Shanghai Disneyland will open in coming June and this may draw some tourists away from Hong Kong. Therefore, the tourism industry is not expected to rebound soon. If the tourism industry suffers, so does the retail sector. As US dollars stay strong, more Hong Kong residents may travel abroad and the local consumption may weaken further. Besides, the social issues taken place in Hong Kong in recent years have negatively influenced Hong Kong's profile and discouraged mainland tourists from visiting. New restrictions such as the change of Shenzhen permanent residents' multiple-entry permits to one-visit-one-week permits also have unfavourable impact on both the tourism and retail industries.

### **Market activity may slow**

Retail property sector has consolidated for quite some time and it is not expected to recover in the near future as the outlook for the retail sector is gloomy, while the industrial property sector is likely to remain stable. Of course, investors have turned to be more risk-averse as the overall market sentiment has turned to be more cautious. Hence, sales of stratified industrial units may slow down this year. However, the industrial property sector will continue to benefit from the transformation of Kowloon East into Hong Kong's next central business district. Indeed, this area is likely to be the market focus in 2016 as in the next financial year's land sale programme, more than 10 Government sites are located in the Kai Tak area.

The reposition of Kowloon East will support the sales activity of office premises in this area as well. Moreover, mainland financial institutions still show strong interest in acquiring office towers in Hong Kong. Late last month, China Everbright Limited announced the acquisition of Dah Sing Financial Centre at Gloucester Road, Wanchai, for HK\$10 billion, the second-largest office transaction in Hong Kong. Besides, the release of the Murray Road multi-storey car park site for land sales will relieve the tight supply situation in the central business districts. This helps to address the concerns of some multinational corporations and helps Hong Kong to strengthen its position as an international financial centre. Nonetheless, the outlook for the office property sector is still quite uncertain as it is subject to the global and local economic environments. However, since the current market transaction volume of the non-residential properties has reached an extremely low level, even a mild relaxation of policies such as easing of mortgage lending requirements may lead to an increase in sales activity.

### **To enhance cost efficiency**

The operating environment for the Group is believed to be challenging. As the demand for investment weakens, sales of stratified retail and industrial units are expected to decline. However, there may still be some big-ticket transactions taking place because demand from mainland financial institutions is still strong. The change in the transaction mixture has had important implications on our resource allocation efforts. The Group, in this year, will take appropriate steps to deal with the market changes.

## FINANCIAL REVIEW

### Liquidity, financial resources and funding

As at 31 December 2015, the Group had cash and bank balances of HK\$675,291,000 (2014: HK\$640,214,000), whilst bank loan amounted to HK\$8,188,000 (2014: HK\$9,118,000). The Group's bank loan was secured by investment properties held by the Group of HK\$60,200,000 (2014: HK\$59,550,000) and with maturity profile set out as follows:

<b>Repayable</b>	<b>2015</b> <b>HK\$'000</b>	<b>2014</b> <b>HK\$'000</b>
Within 1 year	<b>946</b>	928
After 1 year but within 2 years	<b>964</b>	945
After 2 years but within 5 years	<b>3,004</b>	2,947
Over 5 years	<b>3,274</b>	4,298
	<b>8,188</b>	<b>9,118</b>

*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 2015, the Group had unutilised borrowing facilities amounting to HK\$15,000,000 (2014: HK\$15,000,000) 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 2015, the gearing ratio of the Group was 1.2% (2014: 1.3%). 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 4.5 (2014: 3.6). The return on equity of the Group, which is the ratio of profit for the year over total equity of the Group, to measure the efficiency of managing equity, was 0.3% (2014: 5.6%).

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 2015, the Company executed corporate guarantees amounting to HK\$29,780,000 (2014: HK\$29,780,000) as the securities for general banking facilities and bank loan granted to certain wholly-owned subsidiaries. As at 31 December 2015, HK\$8,188,000 of the banking facilities were utilised by a subsidiary (2014: HK\$9,118,000).

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 of economic benefits is probable.

## **Employee information**

As at 31 December 2015, the Group employed 738 full-time employees (2014: 754).

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 2015 (2014: 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 2015.

## **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 2015.

## **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 2015.

## **REVIEW OF FINANCIAL STATEMENTS**

The Audit Committee of the Company has reviewed the consolidated financial statements of the Company for the year ended 31 December 2015. The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2015 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 2015 ANNUAL REPORT**

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.midlandici.com.hk](http://www.midlandici.com.hk)). The 2015 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**

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, 21 March 2016

*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.*