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MIDLAND HOLDINGS LIMITED

美聯集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1200)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the Group is likely to incur a loss for the financial year ended 31 December 2008, subject to audit.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

This announcement is made by Midland Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that the financial performance of the Group for the second half of 2008 was adversely affected by the weakened property market sentiment. Based on information currently available to the Board, the Board estimates that the Group is likely to incur a loss for the financial year ended 31 December 2008, subject to audit. The Board believes that such possible loss was primarily attributable to (i) decrease in the Hong Kong and PRC property market transaction volume; and (ii) increase in operational costs as certain cost cutting measures take time to filter into the operational results.

The Board believes that the financial position of the Group remains solid and the Group will continue to implement stringent cost control measures to improve its performance.

* *For identification purposes only*

The Company is still in the process of finalising the results of the Group for the financial year ended 31 December 2008. The information contained in this announcement is only a preliminary assessment by the management of the Company and is not based on any figures or information which have been audited or reviewed by the Company's auditors.

Shareholders of the Company and potential investors are advised to exercise caution in dealing in the shares of the Company.

By Order of the Board
Midland Holdings Limited
Kam Man Yi, Margaret
Company Secretary

Hong Kong, 23 January 2009

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