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MIDLAND HOLDINGS LIMITED

美聯集團有限公司*

(Incorporated in Bermuda with limited liability)

website: www.midland.com.hk

(Stock Code: 1200)

**CONNECTED TRANSACTIONS
IN RELATION TO
ESTATE AGENCY SERVICES**

The Board announces that subsequent to the Company's issuance of Three Previous Announcements, the Group further entered into the New Agreements with Mr. Wong's Associated Companies for the provision of estate agency services by the Group. The total agency fees payable therefor amount to HK\$110,000.

Mr. Wong's Associated Companies are connected persons to the Company and thus the transactions contemplated under the New Agreements constitute connected transactions of the Company.

As twenty-three agreements as detailed in the Company's Three Previous Announcements and the New Agreements were entered into within a 12-month period, the amount of the respective agency service fee paid or payable shall be aggregated in accordance with Rule 14A.25 of the Listing Rules. The aggregated service fees amount to about HK\$4,307,684. As each of the applicable percentage ratios for the estimated annual cap calculated in accordance with the Listing Rules is less than 2.5%, the New Agreements are exempt from Independent Shareholders' approval requirement and are only subject to reporting and announcement requirements as set out in the Listing Rules.

THE NEW AGREEMENTS

The Board announces that subsequent to the Company's issuance of Three Previous Announcements, the Group further entered into the New Agreements with Mr. Wong's Associated Companies for the provision of estate agency services by the Group.

** For identification purpose only*

Details of the New Agreements are set out below :-

- Dates of New Agreements : The New Agreements were dated 23 January 2008 and 24 January 2008 respectively
- Service providers : Two operating subsidiaries of the Company, the businesses of which are provision of estate agency services in Hong Kong
- Service users : Mr. Wong's Associated Companies
- Nature of transactions : Leasing
- Location of services provided : Both transactions are relating to Hong Kong properties

In consideration of the real estate agency services provided by the Group as summarized above, the agency fees, in the total amount of HK\$110,000, will be settled by Mr. Wong's Associated Companies in cash in early 2008.

REASONS FOR THE TRANSACTIONS

As explained in the Company's Three Previous Announcements, the Group is one of the largest real estate agencies in Hong Kong. Mr. Wong and/or his associates have from time to time engaged the services of the Group for purchase, disposal and lease of properties. In consideration thereof, Mr. Wong and/or his associates would, like other customers of the Group, be required to pay an agency fee to the Group.

According to the industry practice, in concluding a leasing arrangement, the Group charges both the landlord and tenant a commission equivalent to half a month's rent of the property. The total agency fees of HK\$110,000 payable under the New Agreements is in line with this industry practice.

After taking into consideration the pricing policy of the Group, the Directors, including the independent non-executive Directors, considered that the entering into of the New Agreements was in the ordinary and usual course of business of the Group, on normal commercial terms which were negotiated on arm's length basis, are fair and reasonable, in the interest of the Group and its shareholders as a whole and no less favourable to the Group than those available to independent third party.

CONNECTED TRANSACTIONS

Mr. Wong's Associated Companies are connected persons to the Company for the purpose of the Listing Rules. Therefore, the transactions contemplated under the New Agreements constitute connected transactions of the Company under Rule 14A.13 of the Listing Rules.

As twenty-three agreements as detailed in the Company's Three Previous Announcements and the New Agreements were entered into within a 12-month period, the amount of the respective agency service fee paid or payable shall be aggregated in accordance with Rule 14A.25 of the Listing Rules. The aggregated service fees amount to about HK\$4,307,684. As each of the applicable percentage ratios for the estimated annual cap calculated in accordance with the Listing Rules is less than 2.5%, the New Agreements are exempt from independent shareholders' approval requirement and are only subject to reporting and announcement requirements under Rule 14A.32 of the Listing Rules.

INFORMATION ON THE COMPANY

The principal business activities of the Group comprising the Company and its subsidiaries are provision of real estate agency services in Hong Kong, the PRC and Macau.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:-

“associate(s)”	has the meaning as ascribed under the Listing Rules
“Board”	the board of Directors
“Company”	Midland Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	shareholders of the Company, other than Mr. Wong and his associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Macau”	The Macau Special Administrative Region of the PRC
“Mr. Wong”	Mr. Wong Kin Yip, Freddie, being an executive Director, the Chairman, the Managing Director and a substantial shareholder of the Company
“Mr. Wong’s Associated Companies”	Two companies beneficially owned by Mr. Wong, namely Shining Era Limited and Very Happy Industries Limited, the principal business of them are property investment
“New Agreements”	two new agreements made between the Group and Mr. Wong’s Associated Companies on 23 January 2008 and 24 January 2008 respectively for the provision of real estate agency services by the Group in Hong Kong
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Three Previous Announcements”	The Company’s three announcements dated 26 October 2007, 20 November 2007 and 21 December 2007

By order of the Board

Lam Fung Fong

Executive Director and

Company Secretary

Hong Kong, 5 February 2008

As at the date of this announcement, the Board of the Company comprises eight Directors, of which five are executive Directors, namely Mr. Wong Kin Yip, Freddie, Ms. Tang Mei Lai, Metty, Ms. Lam Fung Fong, Mr. Chan Kwan Hing and Mr. Kwok Ying Lung and three are independent non-executive Directors, namely Mr. Koo Fook Sun, Louis, Mr. Sun Tak Chiu and Mr. Wang Ching Miao, Wilson.