MIDLAND HOLDINGS LIMITED
美聯集團有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 1200)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2011

The board of directors (the "Board") of Midland Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2011 (the "Interim Period") together with the comparative figures for the corresponding period in 2010 as follows:

Condensed Consolidated Income Statement (Unaudited)
For the six months ended 30 June 2011

		Six months ended 30 June	
		2011	2010
	Note	HK$'000	HK$'000
Revenues	3	1,943,572	1,757,789
Other income	4	3,863	8,745
Staff costs		(1,122,371)	(988,974)
Rebate incentives		(140,597)	(102,951)
Advertising and promotion expenses		(57,634)	(59,030)
Operating lease charges in respect of office and shop premises		(186,140)	(140,154)
Impairment of receivables		(50,095)	(44,507)
Depreciation and amortisation costs		(21,467)	(16,143)
Other operating costs		(118,633)	(119,589)
Operating profit	5	250,498	295,186
Finance income		4,244	1,458
Finance costs		(115)	(348)
Share of results of			
Jointly controlled entities		13,947	11,396
An associated company		(152)	312
Profit before taxation		268,422	308,004
Taxation	6	(49,636)	(52,376)
Profit for the period		218,786	255,628

* *For identification purposes only*

	Note	Six months ended 30 June 2011 HK$'000	2010 HK$'000
Profit for the period attributable to:			
Equity holders		201,502	243,859
Non-controlling interests		17,284	11,769
		218,786	255,628
Dividends	7	160,981	194,094
Earnings per share	8	HK cents	HK cents
Basic		27.84	33.67
Diluted		27.84	33.67

Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For the six months ended 30 June 2011

	Six months ended 30 June 2011 HK$'000	Six months ended 30 June 2010 HK$'000
Profit for the period	218,786	255,628
Other comprehensive income		
Currency translation differences	(2,425)	2,247
Change in fair value of land and buildings upon transfer of properties to investment properties	-	6,652
Change in fair value of available-for-sale financial assets	715	(309)
	(1,710)	8,590
Total comprehensive income for the period	217,076	264,218
Total comprehensive income for the period attributable to:		
Equity holders	199,792	252,449
Non-controlling interests	17,284	11,769
	217,076	264,218

Condensed Consolidated Balance Sheet (Unaudited)

As at 30 June 2011

	Note	As at 30 June 2011 HK$'000	As at 31 December 2010 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		170,651	162,416
Land use right		-	-
Investment properties		78,840	76,095
Interests in jointly controlled entities		55,442	58,295
Interests in an associated company		618	1,270
Available-for-sale financial assets		16,419	13,927
Deferred taxation assets		9,246	19,141
		331,216	331,144
Current assets			
Trade and other receivables	9	1,508,467	1,258,827
Financial assets at fair value through profit or loss		167	163
Cash and bank balances		1,499,123	1,601,926
		3,007,757	2,860,916
Total assets		3,338,973	3,192,060

Condensed Consolidated Balance Sheet (Unaudited)
As at 30 June 2011

	Note	As at 30 June 2011 HK$'000	As at 31 December 2010 HK$'000
EQUITY AND LIABILITIES			
Equity holders			
Share capital		72,092	72,423
Share premium		230,297	247,484
Reserves		1,258,172	1,219,361
Proposed dividend		160,981	232,333
		1,721,542	1,771,601
Non-controlling interests		127,760	110,476
Total equity		1,849,302	1,882,077
Non-current liabilities			
Deferred taxation liabilities		2,145	1,801
Current liabilities			
Trade and other payables	10	1,419,806	1,256,857
Bank loans		12,233	12,663
Amount due to an associated company		-	500
Taxation payable		55,487	38,162
		1,487,526	1,308,182
Total liabilities		1,489,671	1,309,983
Total equity and liabilities		3,338,973	3,192,060
Net current assets		1,520,231	1,552,734
Total assets less current liabilities		1,851,447	1,883,878

Notes:

1 General information

The Company is a limited liability company incorporated in Bermuda and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal office in Hong Kong is Rooms 2505-2508, 25th Floor, World-Wide House, 19 Des Voeux Road Central, Hong Kong.

The principal activities of the Group are provision of property agency services in Hong Kong, the People's Republic of China (the "PRC") and Macau.

This unaudited condensed consolidated interim financial information is presented in Hong Kong dollars, unless otherwise stated.

This unaudited condensed consolidated interim financial information was approved by the Board on 25 August 2011.

2 Basis of preparation and significant accounting policies

The condensed consolidated interim financial information for the six months ended 30 June 2011 has been prepared under the historical cost convention as modified by the revaluation of investment properties, available-for-sale financial assets and financial assets at fair value through profit or loss, which are carried at fair values, and also prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards.

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those of the annual financial statements for the year ended 31 December 2010 except that the Group has adopted the following revised standards and amendments to standards issued by the HKICPA which are relevant to its operations and mandatory for the financial year ending 31 December 2011.

(a) Revised standards and amendments to standards effective in 2011

HKAS 24 (Revised)	Related Party Disclosures
HKAS 34 Amendment	Interim financial reporting

The adoption of the above revised standards and amendments to standards did not have significant effect on the condensed consolidated interim financial information or result in any significant changes in the Group's significant accounting policies except as described below:

Amendment to HKAS 34 "Interim financial reporting" is effective for annual periods beginning on or after 1 January 2011. It emphasises the existing disclosure principles in HKAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The adoption of the above amendment to standard did not result in any additional disclosure in this condensed consolidated interim financial information.

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

The HKICPA has issued a number of new and revised standards, interpretations and amendments to standards which are not effective for accounting period beginning on 1 January 2011. The Group has not early adopted these new and revised standards, interpretations and amendments to standards.

3 Revenues and segment information

(a) Revenues

	Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
Turnover		
Agency fee	1,918,587	1,723,527
Rental from investment properties	1,299	1,650
Immigration consultancy services	11,367	18,943
Other services	12,319	13,669
	1,943,572	1,757,789

(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, the PRC and Macau, which comprises property agency businesses for residential, commercial and industrial properties and shops, and other businesses mainly include property leasing and immigration consultancy services.

	Six months ended 30 June 2011			
	Property agency			
	Residential properties HK$'000	Commercial and industrial properties and shops HK$'000	Others HK$'000	Total HK$'000
Total revenues	1,613,220	328,458	29,119	1,970,797
Inter-segment revenues	(16,982)	(6,109)	(4,134)	(27,225)
Revenues from external customers	1,596,238	322,349	24,985	1,943,572
Segment results	225,634	65,140	21,234	312,008
Impairment of receivables	39,221	10,861	13	50,095
Depreciation and amortisation costs	18,939	1,498	426	20,863
Share of results of				
- jointly controlled entities	-	-	13,947	13,947
- an associated company	-	-	(152)	(152)
Fair value gains on investment properties	-	-	2,745	2,745
Additions to non-current assets	27,536	2,681	145	30,362

	Six months ended 30 June 2010			
	Property agency			
	Residential properties HK$'000	Commercial and industrial properties and shops HK$'000	Others HK$'000	Total HK$'000
Total revenues	1,494,012	254,534	39,498	1,788,044
Inter-segment revenues	(15,305)	(9,714)	(5,236)	(30,255)
Revenues from external customers	1,478,707	244,820	34,262	1,757,789
Segment results	286,611	35,903	30,458	352,972
Impairment of receivables	31,987	12,287	233	44,507
Depreciation and amortisation costs	13,758	1,013	1,005	15,776
Share of results of				
- jointly controlled entities	-	-	11,396	11,396
- an associated company	-	-	312	312
Fair value gains on investment properties	-	-	5,590	5,590
Fair value gains on assets held for sale	-	-	330	330
Additions to non-current assets	21,419	916	20	22,355

The Executive Directors assess the performance of the operating segments based on the operating results from each reportable segment. Corporate expenses, unrealised gains/(losses) on financial assets at fair value through profit or loss, realised gains on available-for-sale financial assets, 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 income statement.

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

	Six months ended 30 June 2011 HK$'000	2010 HK$'000
Segment results for reportable segments	312,008	352,972
Corporate expenses	(48,026)	(46,060)
Unrealised gains /(losses) on financial assets at fair value through profit or loss	4	(18)
Realised gains on available-for-sale financial assets	307	-
Finance income	4,244	1,458
Finance costs	(115)	(348)
Profit before taxation per consolidated income statement	268,422	308,004

Segment assets and liabilities exclude corporate assets and liabilities, deferred taxation, financial assets at fair value through profit or loss, available-for-sale financial assets, all of which are managed on a central basis. The following is total segment assets and liabilities by reporting segments.

	As at 30 June 2011			
	Property agency			
	Residential properties HK$'000	Commercial and industrial properties and shops HK$'000	Others HK$'000	Total HK$'000
Segment assets	1,580,255	613,368	182,148	2,375,771
Segment assets include:				
Interests in jointly controlled entities	-	-	55,442	55,442
Interests in an associated company	-	-	618	618
Segment liabilities	1,222,781	208,851	18,225	1,449,857

	As at 31 December 2010			
	Property agency			
	Residential properties HK$'000	Commercial and industrial properties and shops HK$'000	Others HK$'000	Total HK$'000
Segment assets	1,415,511	537,000	186,239	2,138,750
Segment assets include:				
Interests in jointly controlled entities	-	-	58,295	58,295
Interests in an associated company	-	-	1,270	1,270
Segment liabilities	1,044,160	177,867	20,094	1,242,121

Reportable segment assets are reconciled to total assets as follows:

	As at 30 June 2011 HK$'000	As at 31 December 2010 HK$'000
Segment assets	2,375,771	2,138,750
Corporate assets	937,370	1,020,079
Deferred taxation assets	9,246	19,141
Financial assets at fair value through profit or loss	167	163
Available-for-sale financial assets	16,419	13,927
Total assets per consolidated balance sheet	3,338,973	3,192,060

Reportable segment liabilities are reconciled to total liabilities as follows:

	As at 30 June 2011 HK$'000	As at 31 December 2010 HK$'000
Segment liabilities	1,449,857	1,242,121
Corporate liabilities	37,669	66,061
Deferred taxation liabilities	2,145	1,801
Total liabilities per consolidated balance sheet	1,489,671	1,309,983

4 Other income

	Six months ended 30 June 2011 HK$'000	2010 HK$'000
Fair value gains on investment properties	2,745	5,590
Fair value gains on assets held for sale	-	330
Unrealised gains on financial assets at fair value through profit or loss	4	-
Realised gains on available-for-sale financial assets	307	-
Gain on disposal of assets held for sale	-	106
Others	807	2,719
	3,863	8,745

5 Operating profit

Operating profit is arrived at after charging:

	Six months ended 30 June 2011 HK$'000	2010 HK$'000
Loss on disposal of property, plant and equipment	943	1,326
Unrealised losses on financial assets at fair value through profit or loss	-	18

6 Taxation

	Six months ended 30 June 2011 HK$'000	2010 HK$'000
Current		
Hong Kong profits tax	39,397	55,785
Deferred	10,239	(3,409)
	49,636	52,376

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2010: 16.5%) on the estimated assessable profit for the Interim Period. Taxation on overseas profits has been calculated on the estimated assessable profit for the Interim Period at the rates of taxation prevailing in the countries in which the Group operates.

7 Dividends

	Six months ended 30 June 2011 HK$'000	2010 HK$'000
Interim dividend declared of HK$0.2233 (2010: HK$0.2680) per ordinary share	160,981	194,094

8 Earnings per share

The calculation of basic and diluted earnings per share for the period is based on the following:

	Six months ended 30 June 2011 HK$'000	2010 HK$'000
Profit attributable to equity holders	201,502	243,859
Number of shares for calculation of basic earnings per share (thousands)	723,768	724,231
Effect on conversion of share options (thousands)	-	-
Number of shares for calculating diluted earnings per share (thousands)	723,768	724,231
Basic earnings per share (HK cents)	27.84	33.67
Diluted earnings per share (HK cents)	27.84	33.67

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 period.

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. For the six months ended 30 June 2011 and 2010, diluted earnings per share equals basic earnings per share as there was no dilutive potential share.

9 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 of the terms and conditions of the relevant agreements. The ageing analysis of the trade receivables is as follows:

	As at 30 June 2011 HK$'000	As at 31 December 2010 HK$'000
Not yet due	976,810	893,616
Less than 30 days	100,107	71,064
31-60 days	66,832	18,128
61-90 days	22,887	24,147
Over 90 days	26,599	51,775
	1,193,235	1,058,730

10 Trade and other payables

Trade payables and commissions payable include principally the commissions payable to property consultants and co-operative estate agents, which are due for payment only upon the receipt of corresponding agency fees from customers. These balances include commissions payable of HK$126,816,000 (as at 31 December 2010: HK$128,559,000) which are due for payment within 30 days, and all the remaining trade payables and commissions payable are not yet due.

11 Subsequent event

On 21 July 2011, 7,659,160 share options were granted to certain directors of the Company under the Company's share option scheme adopted on 30 April 2002.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the six months ended 30 June 2011, revenue for the Group increased by 11% to HK$1,943,572,000 as compared with the corresponding period last year while the profit for the period decreased by 14% to HK$218,786,000. As the relevant documents of sale and purchase transactions are generally submitted to the Land Registry for registration several weeks after completion, the activities in the residential property market during the period could be largely reflected by the transaction amount in respect of residential properties registered in the Land Registry for the period from February to July this year. Information from the Land Registry showed that during the said period, the transaction amount was comparable to the corresponding period last year. The above figures showed that despite intensifying competition, the Group continued to uphold its competitive edge and outperformed the market. However, in view of greater inflationary pressure, rising operating costs and the business operations of the Group in China being hit by macro-economic policies during the first half of the year, profit for the Group fell. Nevertheless, the overall profit margin still maintained at above 11%.

Government policies gradually take effect

Although the transaction volume of local residential properties was less than the corresponding period last year, property prices continued to rise and approximately 12% increase was recorded for the first half of the year. The transaction amount of local residential properties still recorded a growth. According to Midland Property Price Chart, after a sharp increase of approximately 10% in the first quarter, the average price of 100 popular small and medium sized private residential estates in Hong Kong in the second quarter became relatively stable and rose by approximately 2%.

The property market in Hong Kong once exhibited signs of “irrational exuberance” during the first quarter. However, following a series of crises in Japan in March which triggered adjustment in the global stock market, raising interest rate of the HIBOR-based products by the banks in that month and the series of measures introduced by the government earlier beginning to take effect, the Hong Kong residential property market apparently became more rational in the second quarter. As a result, the transaction volume dropped.

In addition, the market sentiment of the property market was also affected by the volatility in the stock market. In the second quarter, the performance of Hong Kong stocks appeared considerably volatile in view of the macro-economic policies, euro zone debt crisis and the issue concerning the U.S. debt level. The desire to purchase properties was more or less affected thereby. Furthermore, the active monitoring of the economy in China by the Central Government to avoid overheating also resulted in no sign of improvement in the sale and purchase of second-hand properties in a number of cities in China in the first half of the year.

Steady expansion and Upholding competitive edge

In light of fierce competition, the Group expanded its local business network steadily during the first half of the year. The Group believes that a moderate increase in branch network could assist its local business to further strengthen its market position. On the other hand, data showed that after a sharp rise in the number of shops holding licences granted by the Estates Agents Authority last year, the growth in such shops had apparently slowed down and it might be due to the effect of the Special Stamp Duty introduced by the government last year on the small and medium sized estate agencies. However, it is noteworthy that the number of shops and persons holding licences granted by the Estate Agents Authority reached a new high in June which reflected intensifying competition. During the first half of the year, the operating results of the Group's business in China showed no improvement. The management team of the China division was further strengthened during the period. Following the appointment of Mr. CHEUNG Kam Shing as the executive director, the "staying focus strategy" would be further strengthened to raise the operation efficiency of the Group's business in China.

Leading advantage with Professional status

In the first half of the year, the Group continued to promote the concept of "Understand First Then Invest". Our professional property market analysis provided the general public with independent and forward-looking perspectives of the property market, assisted customers and potential customers to understand the market trends before entering into property transactions and further strengthened the Group's professional image. In addition, Midland Realty was recognized by certain developers as the top agents in the sale of various first-hand residential properties such as i.UniQ Grand, 18 Upper East, One Regent Place, Festival City, Avignon and The Balmoral.

OUTLOOK

The economic performance of Europe and U.S. will continue to disturb the global economy. Whether the euro zone debt crisis will be completely resolved remains unknown despite the fact that such crisis has been alleviated temporarily. In addition, in view of the U.S. substantial national debt problem, the pace of its economic recovery will be slow. The downgrading of the sovereign credit rating of U.S. has caused market volatility. However, the economic growth in China remains robust and the Group believes that this will support the long-term economic development of Hong Kong. Moreover, the Central Government continues to support the economic development of Hong Kong. During the official visit of Vice Premier Li Keqiang to Hong Kong in mid-August, he announced new policies and measures in support of Hong Kong's standing as an international financial center. The U.S. Federal Reserve has stated that it would maintain lower interest rates until mid-2013, which is also expected to support the property market.

Healthy development in property market and Expecting lower policy risk

Indeed, the fundamentals of the Hong Kong economy are sound. For example, the unemployment rate in June hovered near the lowest level since the financial tsunami, and the income of private domestic properties households reached a new high in the first quarter. The transaction volume declined in the first half of the year was attributable to the series of measures introduced by the government to stabilize the property market, and property prices rose to near historical high. In fact, the Chief Executive stated at a session of the Legislative Council in July that the government should not be "too hard" on the property market, and the principle of government policy should be for the healthy and steady development of the property market. Looking ahead, the Group expects that the medium to long-term growth in property prices would be moderate.

Progressing with times and Meeting challenges

For the second half of the year, the operating and business environment continues to be challenging. As previously mentioned, the uncertainties in the future of the economy of Europe and U.S. have contributed to the unpredictability in the global financial market direction. However, the future of Hong Kong's economy does not appear to have serious problems, and the salary increment in different industries this year is believed to be remarkable and thus will result in income improvement of the general public. On the other hand, if the economy continues to improve, it is expected that upward pressure on operating costs will follow. The rise in local loan-to-deposit ratios caused banks to adjust the HIBOR-based mortgage rate to a normal level. Following the announcement of U.S. Federal Reserve to maintain a low interest rate policy over the next two years, the Group believes that the interest rate of Hong Kong will remain at a low level, and the increase in HIBOR-based mortgage rate will not exert too much pressure on purchasers. Therefore, the Group is of the view that if the government reduces its intervention and the global financial market becomes stabilised, the property market can be expected to develop steadily. Policy risk continues to exist although such risk might lower. In addition, the crisis in the European and U.S. economy has not yet been resolved, uncertainties will continue to affect the market development. However, as always the Group will progress with times and meet challenges at our optimum conditions. The concept of "Understand First Then Invest" advocated by the Group through the organisation of public seminars and production of DVD on property market and related topics has earned more and more recognition from the general public. The Group is gradually reaping the fruits from the market and its leading position in the industry has also been strengthened. The Group is devoted to brand building which has helped lifted the staff morale and has had a positive impact on our market share.

FINANCIAL REVIEW

Liquidity, Financial Resources and Funding

As at 30 June 2011, the Group had cash and bank balances of HK$1,499,123,000 (as at 31 December 2010: HK$1,601,926,000), whilst bank loans amounted to HK$12,233,000 (as at 31 December 2010: HK$12,663,000). The Group's bank loans were secured by certain land and buildings held by the Group of HK$27,070,000 (as at 31 December 2010: HK$27,441,000) and with maturity profile set out as follows:

Repayable	As at 30 June 2011 HK$'000	As at 31 December 2010 HK$'000
Within 1 year	868	853
After 1 year but within 2 years	886	870
After 2 years but within 5 years	2,762	2,716
Over 5 years	7,717	8,224
	12,233	12,663

Note : The amounts due are based on the scheduled repayment dates set out in the loan agreements and ignore the effect of any repayment on demand clause.

As at 30 June 2011, the Group had unutilised banking facilities amounting to HK$186,835,000 (as at 31 December 2010: HK$188,156,000) from various banks. The Group's cash and bank balances are deposited in Hong Kong Dollars, United States Dollars, Renminbi and Macau Pataca, and the Group's bank loans are in Hong Kong Dollars. No currency hedging tool is used. The bank loans and overdraft facilities were granted to the Group on a floating rate basis.

As at 30 June 2011, the gearing ratio of the Group was 0.66% (as at 31 December 2010: 0.67%). The gearing ratio is calculated on the basis of total bank loans 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 2.0 (as at 31 December 2010: 2.2).

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 Interim Period, 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 mainly denominated in Hong Kong Dollars. The Directors considered that the foreign exchange exposure of the Group is minimal.

Contingent Liabilities

The Company executed corporate guarantees as part of the securities for general banking facilities granted to certain wholly-owned subsidiaries.

Employee Information

As at 30 June 2011, the Group employed 8,201 full time employees of which 7,100 were sales agents, 596 were back office supportive employees and 505 were frontline supportive employees.

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 option 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. On staff development, both in-house and external training and development programmes are conducted on a regular basis.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK$0.2233 (2010: HK$0.2680) per ordinary share for the Interim Period.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Thursday, 15 September 2011 to Friday, 16 September 2011, both days inclusive, during which period no transfer of shares will be effected.

In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 14 September 2011. Dividend warrants will be despatched on or around Friday, 23 September 2011.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Interim Period, the Company purchased 3,314,000 ordinary shares of HK$0.10 each in the capital of the Company at prices ranging from HK$4.32 to HK$5.41 per share on the Stock Exchange. Details of repurchases are summarised as follows:

Month of repurchases	Number of ordinary shares repurchased	Purchase price per share		Aggregate consideration paid (excluding expenses)
		Highest	Lowest	
		HK $	*HK$*	*HK$*
May 2011	2,918,000	5.41	5.16	15,494,140
June 2011	396,000	5.20	4.32	1,955,840
	3,314,000			17,449,980

Including expenses paid of approximately HK$68,000, the aggregate consideration paid for these repurchased shares was approximately HK$17,518,000.

The repurchased shares were cancelled and accordingly, the issued share capital of the Company was diminished by the nominal value thereof.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Interim Period.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three independent non-executive directors with written terms of reference in accordance with the requirements of the Listing Rules, and reports to the Board. The Audit Committee has reviewed and discussed with the management the unaudited condensed consolidated interim financial information of the Group for the Interim Period. PricewaterhouseCoopers as the Company's auditor has reviewed the unaudited interim financial information of the Group for the Interim Period in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the requirements of all the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules throughout the Interim Period, except that the roles of the chairman and the chief executive officer of the Company were not segregated under code provision A.2.1 of the CG Code. Subsequent to the resignation of Mr. WONG Kin Yip, Freddie ("Mr. Wong") as Managing Director and the appointment of Mr. WONG Kam Hong as Managing Director of the Company with effect from 25 August 2011, the roles of chairman and managing director have been segregated.

Mr. Wong is the Chairman of the Company and is also the founder of the Group. Mr. Wong oversees the overall corporate directions and corporate strategies of the Group and also guides the management team.

Mr. WONG Kam Hong is the Managing Director and Ms. WONG Ching Yi, Angela is the Deputy Managing Director of the Company. The Managing Director of the Company carries out the function of chief executive officer of the Company and is responsible for formulating the corporate and business strategies and development, and the implementation of strategies and policies to achieving the overall objectives of the Group. The Managing Director shall report directly to the Board. The senior executives of the respective strategic business units of the Group are responsible for performing and overseeing the business operation of the respective business units.

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 Transaction by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules.

On specific enquiries made, all the Directors have confirmed that they have complied with the required standards as set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions throughout the Interim Period.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.midland.com.hk) respectively. The 2011 interim report will be despatched to the shareholders of the Company and will be available on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

I would like to take this opportunity, on behalf of the Board, to express our sincere gratitude to our customers and shareholders for their continuous support, and to the entire management and all staff for their hard work and dedication.

On behalf of the Board
WONG Kin Yip, Freddie
Chairman

Hong Kong, 25 August 2011

As at the date of this announcement, the Board comprises ten directors, of which seven are executive directors, namely, Mr. WONG Kin Yip, Freddie, Ms. TANG Mei Lai, Metty, Mr. WONG Kam Hong, Ms. WONG Ching Yi, Angela, Mr. CHAN Kwan Hing, Ms. IP Kit Yee, Kitty and Mr. CHEUNG Kam Shing; and three are independent non-executive directors, namely, Mr. KOO Fook Sun, Louis, Mr. SUN Tak Chiu and Mr. WANG Ching Miao, Wilson.