MIDLAND IC&I LIMITED

美聯工商舖有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 459)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

The board of directors (the "Board" or the "Directors") of Midland IC&I Limited (the "Company") is pleased to present the unaudited interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2010 (the "Interim Period") together with the comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2010

	Note	**Six months ended 30 June 2010 HK$'000**	2009 HK$'000
Revenues	3	**223,549**	137,756
Other income	4	**2,001**	1,977
Staff costs		**(120,626)**	(71,014)
Rebate commissions		**(16,652)**	(16,736)
Advertising and promotion expenses		**(7,744)**	(4,329)
Operating lease charges in respect of office and shop premises		**(5,639)**	(6,626)
Impairment of receivables		**(12,287)**	(4,815)
Depreciation and amortisation costs		**(1,013)**	(1,006)
Other operating costs		**(13,440)**	(13,849)
Operating profit		**48,149**	21,358
Finance income		**164**	190
Finance costs		**(511)**	(652)
Profit before taxation		**47,802**	20,896
Taxation	5	**(7,484)**	(3,256)
Profit for the period		**40,318**	17,640
Other comprehensive income			
Currency translation differences		**(9)**	(2)
Total comprehensive income for the period		**40,309**	17,638

* *For identification purpose only*

	Note	Six months ended 30 June 2010 HK$'000	2009 HK$'000
Profit for the period attributable to:			
Equity holders		**40,318**	17,640
Non-controlling interests		**–**	–
		40,318	17,640
Total comprehensive income for the period attributable to:			
Equity holders		**40,309**	17,638
Non-controlling interests		**–**	–
		40,309	17,638
		HK cent	HK cent
Earnings per share	6		
Basic		**0.30**	0.13
Diluted		**0.30**	0.13

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)
AS AT 30 JUNE 2010

	Note	As at 30 June 2010 HK$'000	As at 31 December 2009 HK$'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment		**4,578**	4,675
Investment property		**33,000**	31,100
Deferred taxation assets		**1,681**	2,667
		39,259	38,442
Current assets			
Trade and other receivables	8	**123,877**	138,345
Financial assets at fair value through profit or loss		**156**	174
Cash and bank balances		**285,041**	230,478
		409,074	368,997
Total assets		**448,333**	407,439
EQUITY AND LIABILITIES			
Equity holders			
Share capital		**83,000**	83,000
Share premium		**85,816**	85,816
Reserves		**123,972**	83,663
		292,788	252,479
Non-controlling interests		**–**	–
Total equity		**292,788**	252,479
Non-current liabilities			
Bank loan		**12,236**	12,654
Convertible notes		**10,012**	12,316
Deferred taxation liabilities		**879**	531
		23,127	25,501
Current liabilities			
Bank loan		**851**	859
Trade and other payables	9	**115,163**	118,319
Taxation payable		**16,404**	10,281
		132,418	129,459
Total liabilities		**155,545**	154,960
Total equity and liabilities		**448,333**	407,439
Net current assets		**276,656**	239,538
Total assets less current liabilities		**315,915**	277,980

NOTES TO THE INTERIM FINANCIAL INFORMATION (UNAUDITED)

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 principal office in Hong Kong is Room 1801A, 18th Floor, One Grand Tower, 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.

This unaudited condensed consolidated interim financial information has been approved by the Board on 24 August 2010.

2 Basis of preparation and significant accounting policies

The condensed consolidated interim financial information for the six months ended 30 June 2010 has been prepared under the historical cost convention as modified by the revaluation of investment properties and financial assets at fair value through profit or loss, which are carried at fair value, 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 2009, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

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 2009 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 2010.

(a) Revised standards and amendments to standards effective in 2010

HKAS 1 Amendment	Presentation of Financial Statements
HKAS 17 Amendment	Lease
HKAS 18 Amendment	Revenue
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 39 Amendment	Financial Instruments: Recognition and Measurement
HKFRS 3 (Revised)	Business Combination
HKFRS 5 Amendment	Non-current Assets held for Sale and Discontinued Operations
HKFRS 8 Amendment	Operating Segment

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:

(a) HKFRS3 (Revised) "Business combinations". The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. When a business combination achieved in stages, the acquirer should remeasure its previously held interest in the acquiree at its fair value at the date of control is obtained, recognising a gain/loss in the income statement. All acquisition-related costs should be expensed. The adoption of this revised standard did not have significant effect on financial information except for changes in the Group's accounting policies as stated above.

(b) HKAS 27 (Revised) "Consolidated and separate financial statements". The amendment requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control ("economic entity model"). These transactions will no longer result in goodwill or gains and losses. When control over a previous subsidiary is lost, any remaining interest in the entity is re-measured to fair value and the resulting gain or loss is recognised in the income statement. Also, additional guidance is given on linked transactions. The adoption of this amendment to standard did not have significant effect on financial information except for changes in the Group's accounting policies as stated above.

(c) HKAS 17 (Amendment), "Leases". It deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease term was classified as operating lease under "Leasehold land and land use rights", and amortised over the lease term.

HKAS 17 (Amendment) has been applied retrospectively for annual periods beginning 1 January 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of unexpired leasehold land and land use rights as at 1 January 2010 on the basis of information existing at the inception of those leases, and recognised the leasehold land in Hong Kong as finance lease retrospectively. As a result of the reassessment, the Group has reclassified certain leasehold land from operating lease to finance lease.

The accounting for land interest classified as finance lease is as below:

(i) If the property interest is held for own use, that land interest is accounted for as property, plant and equipment and is depreciated from the land interest available for its intended use over the shorter of the useful live of the asset and the lease term; and

(ii) If the property interest is held to earn rentals and/or for capital appreciation, that land interest is accounted for as investment property and carried at fair value.

The effect of the adoption of this amendment is as below:

	As at 30 June 2010 HK$'000	As at 31 December 2009 HK$'000
Decrease in leasehold land	**(70)**	(71)
Increase in property, plant and equipment	**70**	71

(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 1 January 2010. 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	
	2010 HK$'000	2009 HK$'000
Turnover		
Agency fee	**210,246**	127,748
Internet education and related services	**12,619**	9,846
	222,865	137,594
Other revenue		
Rental income from a fellow subsidiary	**684**	162
Total revenues	**223,549**	137,756

(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, and other business mainly includes the provision of internet education and related services.

	Six months ended 30 June 2010				
	Property agency				
	Commercial properties HK$'000	Industrial properties HK$'000	Shops HK$'000	Others HK$'000	Total HK$'000
Total revenues	90,665	38,093	90,451	12,619	231,828
Inter-segment revenues	(2,193)	(3,030)	(3,740)	–	(8,963)
Revenues from external customers	88,472	35,063	86,711	12,619	222,865
Segment results	20,715	5,814	18,854	2,061	47,444
Impairment of receivables	4,960	1,956	5,371	–	12,287
Depreciation	213	192	116	167	688
Additions to non-current assets	581	153	72	90	896

	Six months ended 30 June 2009				
	Property agency				
	Commercial properties HK$'000	Industrial properties HK$'000	Shops HK$'000	Others HK$'000	Total HK$'000
Total revenues	53,113	20,951	56,430	9,857	140,351
Inter-segment revenues	(388)	(749)	(1,609)	(11)	(2,757)
Revenues from external customers	52,725	20,202	54,821	9,846	137,594
Segment results	10,958	4,775	4,503	335	20,571
Impairment of/(reversal of provision on) receivables	153	(664)	5,326	–	4,815
Depreciation	338	319	258	15	930
Additions to non-current assets	110	6	5	52	173

The Executive Directors assess the performance of the operating segments based on a measure of operating results from each reportable segment. Corporate expenses, fair value gains on investment property occupied by group companies, 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:

	Six months ended 30 June	
	2010 HK$'000	2009 HK$'000
Revenues from external customers for reportable segments	**222,865**	137,594
Rental income from a fellow subsidiary	**684**	162
Total revenues per consolidated statement of comprehensive income	**223,549**	137,756

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

	Six months ended 30 June **2010** HK$'000	2009 HK$'000
Segment results for reportable segments	**47,444**	20,571
Corporate expenses	**(1,195)**	(1,079)
Fair value gains on investment property	**1,900**	1,866
Finance income	**164**	190
Finance costs	**(511)**	(652)
Profit before taxation per consolidated statement of comprehensive income	**47,802**	20,896

Segment assets and liabilities exclude corporate assets and liabilities, deferred taxation and financial assets at fair value through profit or loss, which are managed on a central basis. These are part of the reconciliation to total balance sheet assets.

As at 30 June 2010

	Property agency				
	Commercial properties HK$'000	**Industrial properties HK$'000**	**Shops HK$'000**	**Others HK$'000**	**Total HK$'000**
Segment assets	**51,685**	**64,472**	**55,842**	**14,870**	**186,869**
Segment liabilities	**39,382**	**19,172**	**40,741**	**2,792**	**102,087**

As at 31 December 2009

	Property agency				
	Commercial properties HK$'000	Industrial properties HK$'000	Shops HK$'000	Others HK$'000	Total HK$'000
Segment assets	72,739	57,747	53,194	14,138	197,818
Segment liabilities	48,999	26,884	37,218	4,134	117,235

Reportable segment assets are reconciled to total assets as follows:

	As at 30 June 2010 HK$'000	As at 31 December 2009 HK$'000
Segment assets	**186,869**	197,818
Corporate assets	**259,627**	206,780
Deferred taxation assets	**1,681**	2,667
Financial assets at fair value through profit or loss	**156**	174
Total assets per the consolidated balance sheet	**448,333**	407,439

Reportable segment liabilities are reconciled to total liabilities as follows:

	As at 30 June 2010 HK$'000	As at 31 December 2009 HK$'000
Segment liabilities	**102,087**	117,235
Corporate liabilities	**52,579**	37,194
Deferred taxation liabilities	**879**	531
Total liabilities per the consolidated balance sheet	**155,545**	154,960

4 Other income

	Six months ended 30 June	
	2010	2009
	HK$'000	HK$'000
Dividend income	**–**	4
Fair value gains on investment property	**1,900**	1,866
Sundries	**101**	107
	2,001	1,977

5 Taxation

	Six months ended 30 June 2010 HK$'000	2009 HK$'000
Current		
Hong Kong profits tax	**6,150**	5,191
Deferred	**1,334**	(1,935)
	7,484	3,256

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the Interim Period.

6 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 2010 HK$'000	2009 HK$'000
Profit attributable to equity holders	**40,318**	17,640
Effect on interest expense on convertible notes, net of tax	**330**	452
Profit for calculation of basic and diluted earnings per share	**40,648**	18,092
Number of shares in issue (thousands)	**8,300,000**	8,300,000
Effect on conversion of convertible notes (thousands)	**5,400,000**	5,400,000
Number of shares for calculation of basic earnings per share (thousands)	**13,700,000**	13,700,000
Effect on conversion of share options (thousands)	**–**	–
Number of shares for calculation of diluted earnings per share (thousands)	**13,700,000**	13,700,000
Basic earnings per share (HK cent)	**0.30**	0.13
Diluted earnings per share (HK cent)	**0.30**	0.13

Basic earnings per share are calculated by adjusting the weighted average number of shares to take effect of the convertible notes since the convertible notes are mandatory convertible. The convertible notes are assumed to have been converted into shares from the date when the combining entities first came under the control of the controlling party, and the net profit is adjusted to eliminate the interest expense less the tax effect.

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 is made to determine the number of shares that could have been acquired at fair value (according to the average annual 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 issued assuming the exercise of the share options. Diluted earnings per share for the six months ended 30 June 2009 did not assume the exercise of share options outstanding during the period since the exercise of share options would have an anti-dilutive effect.

7 Interim dividend

The Board does not recommend the payment of an interim dividend for the Interim Period (six months ended 30 June 2009: Nil).

8 Trade and other receivables

The trade receivables represent principally agency fee receivables from customers whereby no general credit facilities are available. The customers are obliged to settle the amounts upon the completion of the relevant agreements. The ageing analysis of the trade receivables is as follows:

	As at 30 June 2010 HK$'000	As at 31 December 2009 HK$'000
Not yet due	**90,211**	118,388
Less than 30 days	**12,964**	6,181
31 to 60 days	**3,864**	3,101
61 to 90 days	**3,703**	1,832
Over 90 days	**5,436**	1,700
	116,178	131,202

9 Trade and other payables

The trade payables and commissions payable include principally the commissions payable to property consultants and cooperative estate agents, which are due for payment only upon the receipt of corresponding agency fees from customers. These balances include commissions payable of HK$18,451,000 (as at 31 December 2009: HK$19,818,000) which are due for payment within 30 days, and all the remaining trade payables and commission payable are not yet due.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

In the Interim Period, the Group saw a 62% increase in revenue to HK$223.5 million. Meanwhile, earnings increased by 129% to HK$40.3 million. A relatively low base for the year-on-year comparison was behind the substantial surge in earnings for the first half. In the same period a year ago, the non-residential sector of the property market was still under the spell of the global financial tsunami. As the sector started to improve in the second half of 2009, we were able to seize every opportunity and the results in the first half was comparable to that in the bottom half of last year.

Low interest environment stimulates economy, property transactions

Market data show a whopping 90% increase in the transaction value of non-residential properties in the first half, compared to the same period in 2009. The continual low interest environment in Hong Kong was a strong factor backing the sector. While having shifted slightly higher earlier on in the year, the Hong Kong interbank overnight rates (HIBOR) have trended down lately and are likely to remain soft. Low borrowing cost, coupled with the lack of an outlet for accumulated capital, has fanned investor desire to enter the property market. Meanwhile, a year-on-year jump of 8.2% and 6.5% in gross domestic product in the first and second quarter respectively showed the local economy on the mend. The latest export value further logged a 24% rise year on year to roughly the pre-tsunami level. Further reflecting a strengthening economy is the 10.5% year-on-year growth in overall capital spending in the first quarter. Meanwhile, retail sales also expanded, rising 17.9% in the first half year on year. All of the above factors have helped bolster the industrial and commercial sector.

Upgrade service to grasp opportunity

During the Interim Period, the Group was able to seize the favourable turn in the market by adding just enough manpower. We were encouraged by good results in a range of projects. Early efforts to develop the industrial sector began to pay off, for instance. We had set up a project team to specialise in revitalising old industrial buildings. The one-stop concept offers property owners services in renovation, marketing and leasing while educating the public and prospective tenants via seminars. With client support, the team was appointed to handle several projects regarding revitalising industrial buildings in the first half. At the same time, in line with boosting professional standards, the Group also stepped up involvement in large-scale property transactions. For instance, we helped broker the sale of 51% of the ownership of Nam Wo Hong at 148 Wing Lok Street in Sheung Wan for HK$238 million, as well as the second and third floor of 2A Sai Yeung Choi Street of Mongkok for HK$208 million.

Outlook

Hong Kong will continue to benefit from mainland China's economic development. Indeed, since the launch of the Individual Visit Scheme in 2003, Hong Kong has become a favourite shopping destination among mainland Chinese. The Capital Investment Entrant Scheme, launched subsequently to allow property ownership of at least HK$6.5 million as a criterion for residency in the city, further drew mainlanders to Hong Kong's property market. The Big Five state-owned Chinese banks also added to the momentum of Hong Kong's economic growth. Now that Bank of China, China Construction Bank, Bank of Communications, Industrial and Commercial Bank of China and Agriculture Bank of China (which recently raised the largest amount ever in an initial public offering) all got listed in Hong Kong one after the other, the city's status as a major financial centre in the region is ensconced. Partly due to this hinterland factor, Hong Kong has become a "hot spot" for fund houses and financial institutions to establish their presence by setting up offices.

Cross-border collaboration props market

As the ties between the mainland and Hong Kong strengthen, a number of Chinese enterprises also have set up a toehold in this city. Some have embarked on the acquisition trail. Suning Appliance Co. Ltd, a large mainland electronics retailer, for one, took over Citicall Retail Management Ltd, a Hong Kong company, back in March. A few months earlier, China Resources Enterprise Ltd had purchased Pacific Coffee Co, Hong Kong's second largest specialised coffee chain. Cross fertilization among businesses across the border is giving rise to more economic opportunities. We are ever on the watch to take advantage of such development.

Continual cross-border co-operation and a low interest trend are the two major forces driving the non-residential sector of the property market in Hong Kong. As long as borrowing costs stay low, more investors as well as users will acquire commercial properties. Of course, no matter whether it is for retail or office use, properties located in prime districts have accumulated a certain amount of increase in value. On the other hand, commercial properties in less prime locations are likely to catch the eye of more investors in the foreseeable future.

Assess risks to operate prudently

To be sure, the industrial and commercial sector has been blessed by a number of positive developments. But on the global front, uncertainty still dogs the economy. In the United States, not all economic indicators are positive. In Europe, no one is sure if the worst is over, although the recent credit crisis of the PIIGS countries (ie, Portugal, Italy, Ireland, Greece and Spain) seemed to have abated. Growth in some business sectors is likely to be held back by the above-mentioned uncertainties. On top of that, the return rates for some industrial or commercial properties in prime locations have fallen to an extremely low level. If the upturn in rental rates slows, investors will lose heart in the market. Moreover, if interest rates start to climb, the dampening effect on buying sentiment will be even more obvious.

Besides, the recent measures launched by the government are aimed at making the property market grow healthily and they should not have any adverse impact on the industrial and commercial sector. In the second half, the Group will follow its longstanding strategy of evaluating risk and opportunity in the marketplace. We shall exercise prudence in our operations, adding human resources only when we see market demand and expanding our network as we see fit. But above all, we shall continue to raise professionalism among our staff to go after a bigger toehold in the large-scale project segment.

Financial Review

Liquidity, Financial Resources and Funding

As at 30 June 2010, the Group had net current assets of HK$276,656,000 including bank balances and cash of HK$285,041,000, whilst bank loan amounted to HK$13,087,000. The Group's bank loan was secured by the property held by the Group of HK$33,070,000 and with maturity profile set out as follows:

Repayable	HK$'000
Within 1 year	851
After 1 year but within 2 years	868
After 2 years but within 5 years	2,710
Over 5 years	8,658

The Group had unutilised banking facilities amounting to HK$35,500,000 from various banks. The bank loan was granted to the Group on a floating rate basis. As at 30 June 2010, the Group had pledged fixed deposits of HK$216,000.

As at 30 June 2010, the gearing ratio, which represents the percentage of borrowings and liability portion of convertible notes over total equity of the Group was 7.9% (31 December 2009: 10.2%). 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 3.1 (31 December 2009: 2.9).

The Directors believe that the existing financial resources of the Group are sufficient to fulfill its commitments, current working capital requirements and further development.

Capital Structure and Foreign Exchange Exposure

During the Interim Period, there was no 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 dollar. The Directors considered that the foreign exchange exposure of the Group is minimal.

Contingent Liabilities

As at 30 June 2010, the Company executed corporate guarantees amounting to HK$49,780,000 (31 December 2009: HK$49,780,000) as the securities for general banking facilities and bank loan extended to wholly-owned subsidiaries. As at 31 December 2009, the bank loans drawn by one of its subsidiaries was HK$14,280,000.

Employee Information

As at 30 June 2010, the Group employed 500 full-time employees.

The Group provides remuneration package to employees largely based on industry practice, individual performance, qualification and experience. In addition, discretionary bonus, profit sharing 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 does not recommend the payment of an interim dividend for the Interim Period (2009: Nil).

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 contained in Appendix 14 to the Listing Rules throughout the Interim Period.

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 as set out in Appendix 10 to the Listing Rules (the "Model Code").

Specific enquiries had been made to all the Directors and the Directors have confirmed that they have complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions throughout the Interim Period.

Purchase, Sale and 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 Interim Period.

Review by Audit Committee

The audit committee has reviewed and discussed with the management of the Company the interim report of the Company for the Interim Period. PricewaterhouseCoopers, 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.

Appreciation

Finally, I would like to take this opportunity to express our sincere gratitude to our shareholders and customers for their continuous support, to the management and staff for their hard work, support and dedication throughout the Interim Period.

By Order of the Board
Midland IC&I Limited
WONG Tsz Wa, Pierre
Executive Director and Chief Executive Officer

Hong Kong, 24 August 2010

As at the date of this announcement, the Board of the Company comprises six directors, of which two are executive Directors, namely Ms. Tang Mei Lai, Metty and Mr. Wong Tsz Wa, Pierre; one non-executive Director, namely Mr. Tsang Link Carl, Brian; and three are independent non-executive Directors, namely Mr. Ying Wing Cheung, William, Mr. Sha Pau, Eric and Mr. Ho Kwan Tat, Ted.