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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 2011 AND CHANGE OF CHAIRMAN OF THE REMUNERATION COMMITTEE

The board of directors (the "Board") of Midland IC&I Limited (the "Company") is pleased to present the consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2011 together with comparative figures as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	Note	**2011** **HK$'000**	2010 HK$'000
Revenues	3(a)	**457,104**	534,650
Other income	4	**6,537**	4,375
Staff costs		**(247,974)**	(282,314)
Rebate incentives		**(36,860)**	(47,656)
Advertising and promotion expenses		**(11,541)**	(9,698)
Operating lease charges in respect of office and shop premises		**(13,821)**	(11,262)
Impairment of receivables		**(18,442)**	(12,356)
Depreciation and amortisation costs		**(3,437)**	(2,241)
Other operating costs		**(25,795)**	(29,599)
Operating profit	5	**105,771**	143,899
Finance income	6	**2,918**	623
Finance costs	6	**(624)**	(952)
Profit before taxation		**108,065**	143,570
Taxation	7	**(17,576)**	(23,135)
Profit for the year		**90,489**	120,435
Other comprehensive income			
Currency translation differences		**(137)**	(47)
Total comprehensive income for the year		**90,352**	120,388

** For identification purposes only*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

For the year ended 31 December 2011

	Note	**2011** **HK$'000**	2010 *HK$'000*
Profit attributable to:			
Equity holders		**90,489**	120,435
Non-controlling interests		**-**	-
		90,489	120,435
Total comprehensive income attributable to:			
Equity holders		**90,352**	120,388
Non-controlling interests		**-**	-
		90,352	120,388
		HK cents	*HK cents*
Earnings per share	*8*		
Basic		**0.663**	0.883
Diluted		**0.663**	0.883

CONSOLIDATED BALANCE SHEET
As at 31 December 2011

	Note	**2011** *HK$'000*	2010 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**5,567**	4,721
Investment properties		**40,640**	35,100
Deferred taxation assets		**1,801**	3,102
		48,008	42,923
Current assets			
Trade and other receivables	*10*	**130,404**	205,888
Financial assets at fair value through profit or loss		**130**	163
Tax recoverable		**1,576**	-
Cash and bank balances		**406,813**	316,002
		538,923	522,053
Total assets		**586,931**	564,976
EQUITY AND LIABILITIES			
Equity holders			
Share capital		**83,000**	83,000
Share premium		**85,816**	85,816
Reserves		**294,965**	204,051
		463,781	372,867
Non-controlling interests		**-**	-
Total equity		**463,781**	372,867
Non-current liabilities			
Convertible notes		**-**	7,631
Deferred taxation liabilities		**2,276**	1,339
		2,276	8,970
Current liabilities			
Convertible notes		**2,627**	-
Trade and other payables	*11*	**106,447**	164,499
Bank loan		**11,800**	12,663
Taxation payable		**-**	5,977
		120,874	183,139
Total liabilities		**123,150**	192,109
Total equity and liabilities		**586,931**	564,976
Net current assets		**418,049**	338,914
Total assets less current liabilities		**466,057**	381,837

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 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.

2. Basis of preparation

(a) The 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 financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property and financial assets at fair value through profit or loss, which are carried at fair values.

(b) Standards, interpretations and amendments effective in 2011

HKAS 24 (Revised)	Related party disclosures
HKAS 32 (Amendment)	Classification of right issues
HKFRS 1 (Amendment)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters
HK(IFRIC) – Int 14	Prepayments of a minimum funding requirement
HK(IFRIC) – Int 19	Extinguishing financial liabilities with equity instruments
HKFRSs (Amendment)	Improvements to HKFRSs 2010

The adoption of the above revised standards and amendments and interpretations to standards did not have significant effect on the financial information or result in any significant changes in the Group's significant accounting policies.

(c) 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 2011 and have not been early adopted by the Group.

Effective for the year ending 31 December 2012

HKFRS 7 (Amendment)	Disclosures – transfers of financial assets
HKAS 12 (Amendment)	Deferred tax: recovery of underlying assets

2. Basis of preparation (continued)

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

Effective for the year ending 31 December 2013

HKAS 1 (Amendment)	Presentation of financial statements
HKAS 19 (Amendment)	Employee benefits
HKAS 27 (Revised 2011)	Separate financial statements
HKAS 28 (Revised 2011)	Investments in associates and joint ventures
HKFRS 9	Financial Instruments
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurements

The Group is assessing the impact of these new or revised standards and amendments to standards. The adoption of these new or revised standards and amendments to standards will not result in a significant impact on the results and financial position of the Group except for the adoption of HKAS 12 (Amendment) when the Group is expected to derecognise the deferred tax liabilities arising from investment property measured at fair value and there will be certain changes in presentation and disclosures in the financial statements.

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3. Revenues and segment information

(a) Revenues

	2011	2010
	HK$'000	*HK$'000*
Turnover		
Agency fee	**435,366**	506,600
Internet education and related services	**20,338**	26,682
	455,704	533,282
Other revenue		
Rental income from a fellow subsidiary	**1,368**	1,368
Rental income from third party	**32**	-
Total revenues	**457,104**	534,650

(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.

3. Revenues and segment information (continued)

(b) Segment information (continued)

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.

Year ended 31 December 2011

	Property agency				
	Commercial properties *HK$'000*	**Industrial properties** *HK$'000*	**Shops** *HK$'000*	**Others** *HK$'000*	**Total** *HK$'000*
Total revenues	**225,721**	**80,139**	**139,758**	**20,520**	**466,138**
Inter - segment revenues	**(6,360)**	**(1,537)**	**(2,355)**	**(182)**	**(10,434)**
Revenues from external customers	**219,361**	**78,602**	**137,403**	**20,338**	**455,704**
Segment results	**66,169**	**15,574**	**35,564**	**(126)**	**117,181**
Impairment of receivables	**6,745**	**6,531**	**5,166**	**-**	**18,442**
Depreciation and amortisation costs	**759**	**1,004**	**416**	**573**	**2,752**
Additions to non-current assets	**361**	**2,364**	**1,099**	**1,746**	**5,570**

Year ended 31 December 2010

	Property agency				
	Commercial properties *HK$'000*	Industrial properties *HK$'000*	Shops *HK$'000*	Others *HK$'000*	Total *HK$'000*
Total revenues	228,677	83,382	217,619	26,792	556,470
Inter - segment revenues	(11,127)	(4,669)	(7,282)	(110)	(23,188)
Revenues from external customers	217,550	78,713	210,337	26,682	533,282
Segment results	69,860	23,712	63,167	150	156,889
Impairment of receivables	3,572	1,326	7,361	97	12,356
Depreciation and amortisation costs	663	439	228	260	1,590
Additions to non-current assets	1,238	620	122	285	2,265

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. Corporate expenses, unrealised loss on financial assets at fair value through profit or loss, fair value gain on investment properties, finance income, finance costs and taxation are not included in the segments 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:

	2011	2010
	HK$'000	*HK$'000*
Revenues from external customers for reportable segments	**455,704**	533,282
Rental income from a fellow subsidiary	**1,368**	1,368
Rental income from third party	**32**	-
Total revenues per consolidated statement of comprehensive income	**457,104**	534,650

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

	2011	2010
	HK$'000	*HK$'000*
Segment results for reportable segments	**117,181**	156,889
Corporate expenses	**(16,585)**	(16,990)
Fair value gain on investment properties	**5,175**	4,000
Finance income	**2,918**	623
Finance costs	**(624)**	(952)
Profit before taxation per consolidated statement of comprehensive income	**108,065**	143,570

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. 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 2011

	Property agency				
	Commercial properties	**Industrial properties**	**Shops**	**Others**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Segment assets	**67,637**	**76,608**	**43,302**	**15,629**	**203,176**
Segment liabilities	**51,420**	**21,904**	**17,087**	**5,486**	**95,897**

As at 31 December 2010

	Property agency				
	Commercial properties	Industrial properties	Shops	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Segment assets	101,859	77,483	80,874	15,553	275,769
Segment liabilities	67,917	21,494	55,921	5,306	150,638

Reportable segment assets are reconciled to total assets as follows:

	2011	2010
	HK$'000	*HK$'000*
Segment assets	**203,176**	275,769
Corporate assets	**380,248**	285,942
Deferred taxation assets	**1,801**	3,102
Financial assets at fair value through profit or loss	**130**	163
Tax recoverable	**1,576**	-
Total assets per consolidated balance sheet	**586,931**	564,976

Reportable segment liabilities are reconciled to total liabilities as follows:

	2011	2010
	HK$'000	*HK$'000*
Segment liabilities	**95,897**	150,638
Corporate liabilities	**24,977**	40,132
Deferred taxation liabilities	**2,276**	1,339
Total liabilities per consolidated balance sheet	**123,150**	192,109

4. Other income

	2011	2010
	HK$'000	*HK$'000*
Fair value gain on investment properties	**5,175**	4,000
Gain on disposal of subsidiaries	**785**	-
Others	**577**	375
	6,537	4,375

5. Operating profit

Operating profit is arrived at after charging:

	2011	2010
	HK$'000	*HK$'000*
Loss on disposal of property, plant and equipment	**331**	-
Auditor's remuneration	**797**	757
Unrealised loss on financial assets at fair value through profit or loss	**33**	15

6. Finance income and costs

	2011	2010
	HK$'000	*HK$'000*
Finance income		
Bank interest income	**2,918**	623
Finance costs		
Finance cost of convertible notes wholly repayable within five years	**(396)**	(715)
Interest on borrowings not wholly repayable within five years (note)	**(228)**	(237)
	(624)	(952)
Finance income/(costs), net	**2,294**	(329)

Note: The classification by repayment period is based on the scheduled repayment dates set out in the loan agreements and ignores the effect of any repayment on demand clause.

7. Taxation

	2011	2010
	HK$'000	*HK$'000*
Current		
Hong Kong profits tax	**15,338**	22,762
Deferred	**2,238**	373
	17,576	23,135

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 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:

	2011	2010
	HK$'000	*HK$'000*
Profit attributable to equity holders	**90,489**	120,435
Effect on interest expense on convertible notes, net of tax	**331**	596
Profit for calculation of basic and diluted earnings per share	**90,820**	121,031
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 option (thousands)	**-**	-
Number of shares for calculation of diluted earnings per share (thousands)	**13,700,000**	13,700,000
Basic earnings per share (HK cents)	**0.663**	0.883
Diluted earnings per share (HK cents)	**0.663**	0.883

Basic earnings per share is 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 of the issuance of the convertible notes, 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.

8. Earnings per share (continued)

Adjustment has been 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 been issued assuming the exercise of the share options. Diluted earnings per share for the year ended 31 December 2011 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 a dividend for the year ended 31 December 2011 (2010: Nil).

10. Trade and other receivables

The 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:

	2011 ***HK$'000***	2010 *HK$'000*
Not yet due	**102,793**	184,953
Less than 30 days	**7,195**	5,090
31 to 60 days	**5,624**	3,318
61 to 90 days	**2,646**	2,127
91 to 180 days	**1,487**	4,003
Over 180 days	**772**	-
	120,517	199,491

11. 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$15,029,000 (2010: HK$19,587,000) which are due for payment within 30 days, and all the remaining trade payables and commissions payable are not yet due.

REVIEW

For the year ended December 31, 2011, the Group recorded net profit of HK$90.5 million, down 24.9% from the year before. Meanwhile, revenue dropped 14.5% to HK$457.1 million. A drastic downturn in business environment in the second half of 2011 was responsible for paring down both profit and income. Plagued by the sovereign debt crisis in Europe, the commercial, industry and retail sector of the property market faltered in the second half, causing the Group's profit and revenue to fall 56.7% and 38.7% respectively from the first-half level. Although Hong Kong's economy fared well during that period, with GDP growing 5.0% and retail sales increasing substantially, both end-users and investors clearly were less than eager to enter the market. We take the view, therefore, that the non-residential property sector is unlikely to rebound to the peak of 2010 in the near term. But in the longer term, we are optimistic about the sector's prospects and shall stay ready to raise our standing in the market when the opportunity arises.

Turned sour in the second half

In the first half of 2011, an active non-residential market coupled with various timely moves, the Company yielded the best interim results upon listing. Subsequently, despite a sharp downturn in non-residential property transactions, the Company was able to record a profit in the second half, thanks to the dedication of management and staff alike.

2011 was characterised by two extremes in market conditions between the first and the second half. In the first half, tightening government measures imposed on residential properties had deterred investors from the residential sector and channeled some capital to industrial and commercial properties instead. Towards the third quarter, however, even the non-residential sector cooled down. Transaction records at the Land Registry show the transaction volume of non-residential properties had plunged 39% in the second half from the first half. The sector was especially quiet in the fourth quarter. In turn, the poor performance of the sector also affected the overall property market during that period.

A number of negative factors were responsible for weakening the market sentiment:

- The loan-to-deposit ratio at Hong Kong's banks trended up during the year, dulling lenders' incentive to grant mortgage loans and causing some even to raise the mortgage rate slightly. Tightening liquidity certainly did its fair share to hurt the property market.
- The worsening sovereign debt crisis in the Euro Zone worried investors, causing them to think twice before entering the market.
- The local stock market also slowed down in the second half, with the Hang Seng Index logging a steep drop in the fourth quarter. For a sector that targets mainly investors, a downturn in stocks certainly means less liquidity to invest in commercial and industrial properties.
- The financial services sector continued to be plummeted by credit issues and layoffs. As a result, demand for office premises was also affected.

OUTLOOK

For the non-residential sector, 2012 will be full of challenges as well as opportunities. Undoubtedly, Hong Kong and the rest of the world will continue to feel the adverse effects of the sovereign debt problem in Europe. Whether the debt situation will have as adverse an influence on Hong Kong's financial scene remains to be seen but it is clear and present certainly. However, Hong Kong's economic fundamentals are sound. Also, mainland China has been loosening its grip on monetary controls, most notably, by lowering the reserve ratio for Chinese banks three times since last November. These are developments conducive to investors' optimism. In this light, the Company is cautiously optimistic towards the non-residential sector and will stay prepared to take initiative to reinforce its leadership in the market.

Sector's outlook likely to be stable

After the 30-month bull run from 2009 through June 2011, the non-residential sector has stabilized, with the prices of certain office buildings actually coming off the peak levels. We are of the view that the investment sentiment seen in the first half of last year is unlikely to emerge again in the near future.

Having said that, we must qualify by noting that although the financial services sector appears to be consolidating and thus showing less demand for grade-A offices, quite a number of mainland Chinese companies are setting up in Hong Kong and offsetting the reduced demand. In other words, quality commercial buildings still offer investment potential. Not too long ago, the then popular movement to "revitalise" industrial buildings had buoyed the industrial and commercial sector as a whole. The euphoria apparently has lost steam recently. The higher volume of transactions driven by revitalisation has tapered off. We believe that it will take a round of positive Government measures to give the broking of industrial and commercial properties another breakthrough.

Retail premises, on the other hand, will continue to do well in a city favoured by mainland Chinese consumers as a shoppers' paradise. Moreover, a number of international brand names, including United States fashion Forever 21, A & F (Abercrombie & Fitch) and the Taiwanese bookstore Eslite, have and set up in Hong Kong. This certainly will attract more tourists to the city.

Get set to pounce on opportunity

The Company believes that a number of positive developments will continue to bolster the non-residential sector this year. To start with, a slight loosening of the monetary policy has raised liquidity somewhat recently. For a sector that depends a lot on investors, this is a positive turn of events indeed. The stock market also fared better since the turn of the year, thus improving investor sentiment. Having said that, the non-residential sector surely will stay in the grips of the negative factors afore-mentioned, so do not bet on its activity to rebound to the first-half level of 2011.

Over the years, the Company has invested considerably in training front-line staff and bringing up to high professional standards and our training has been successful so far. Looking ahead, the Company will spare no effort in raising the professional standards of our staff, believing that the productivity of our frontline will improve accordingly. More recently, a number of promotions of worthy management personnel also helped bolster the executive team and moved us one step closer to improving our service standards. We are hopeful that promotions from within will boost the sales volume across different sectors, thus giving the Company the flexibility to deploy multi-pronged strategies to raise its leadership in the property market and seek for new business opportunities.

FINANCIAL REVIEW

Liquidity, Financial Resources and Funding

As at 31 December 2011, the Group had cash and bank balances of HK$406,813,000 (2010: HK$316,002,000), whilst bank loan amounted to HK$11,800,000 (2010: HK$12,663,000). The Group's bank loan was secured by the investment properties held by the Group of HK$40,640,000 (2010: secured by investment property and certain land & buildings of HK$35,470,000) and with maturity profile set out as follows:

Repayable	**2011** ***HK$'000***	2010 *HK$'000*
Within 1 year	**871**	853
After 1 year but within 2 years	**889**	870
After 2 years but within 5 years	**2,775**	2,716
Over 5 years	**7,265**	8,224
	11,800	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 31 December 2011, the Group had unutilised banking facilities amounting to HK$15,500,000 (2010: HK$35,500,000) from various banks. 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 loan and overdraft facilities were granted to the Group on a floating rate basis.

As at 31 December 2011, the gearing ratio of the Group was 3.1% (2010: 5.4%). The gearing ratio is calculated on the basis of the Group's total bank loans and liability portion of convertible notes 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 (2010: 2.9).

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 mainly denominated in Hong Kong dollar. The Directors considered that the foreign exchange exposure of the Group is minimal.

Contingent liabilities

As at 31 December 2011, the Company executed corporate guarantees amounting to HK$29,780,000 (2010: HK$49,780,000) as the securities for general banking facilities and bank loans extended to wholly-owned subsidiaries. As at 31 December 2011, HK$11,800,000 of the banking facilities were utilised by a subsidiary (2010: HK$12,663,000).

Employee information

As at 31 December 2011, the Group employed 551 full-time 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 profit 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.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2011.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the code provisions of the Code of Corporate Governance Practices set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the year ended 31 December 2011.

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 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 during the year ended 31 December 2011.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares during the year ended 31 December 2011.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed the annual results of the Company for the year ended 31 December 2011. The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2011 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 Engagement issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

CHANGE OF CHAIRMAN OF THE REMUNERATION COMMITTEE

The Board is pleased to announce that in order to comply with the forthcoming amendments to the Listing Rules which will become effective on 1 April 2012, Mr. HO Kwan Tat, Ted, the Independent Non-executive Director, has been appointed as the chairman of the Remuneration Committee of the Company in place of Ms. TANG Mei Lai, Metty who remains as the member of the Remuneration Committee, with effect from 15 March 2012.

PUBLICATION OF ANNUAL RESULTS AND 2011 ANNUAL REPORT

The annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.midlandici.com.hk). The 2011 Annual Report will be despatched to the shareholders and will be available in the websites of the Stock Exchange and the Company in due course.

APPRECIATION

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

By Order of the Board
Midland IC&I Limited
WONG Hon Shing, Daniel
Executive Director and Chief Executive Officer

Hong Kong, 15 March 2012

As at the date of this announcement, the Board comprises eight Directors, of which four are Executive Directors, namely Ms. TANG Mei Lai, Metty, Mr. WONG Tsz Wa, Pierre, Ms. WONG Ching Yi, Angela and Mr. WONG Hon Shing, Daniel; one Non-executive Director, namely 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.