



Capture Every Opportunity,
and Build a Bright Future Together

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Corporate Information

BOARD OF DIRECTORS

Non-Executive Directors

Mr. WONG Kin Yip, Freddie (*Chairman*)
Mr. KAN Chung Nin, Tony
Ms. IP Kit Yee, Kitty

Executive Directors

Ms. TANG Mei Lai, Metty
Ms. WONG Ching Yi, Angela
(*Deputy Chairman and Managing Director*)
Mr. WONG Tsz Wa, Pierre (*Managing Director*)
Mr. CHEUNG Kam Shing

Independent Non-Executive Directors

Mr. KOO Fook Sun, Louis
Mr. SUN Tak Chiu
Mr. CHAN Nim Leung, Leon
Mr. WONG San

AUDIT COMMITTEE

Mr. KOO Fook Sun, Louis (*Committee Chairman*)
Mr. SUN Tak Chiu
Mr. CHAN Nim Leung, Leon
Mr. WONG San
Mr. KAN Chung Nin, Tony

REMUNERATION COMMITTEE

Mr. SUN Tak Chiu (*Committee Chairman*)
Mr. WONG Kin Yip, Freddie
Ms. WONG Ching Yi, Angela
Mr. KOO Fook Sun, Louis
Mr. CHAN Nim Leung, Leon
Mr. WONG San
Mr. KAN Chung Nin, Tony

NOMINATION COMMITTEE

Mr. KOO Fook Sun, Louis (*Committee Chairman*)
Mr. WONG Kin Yip, Freddie
Ms. WONG Ching Yi, Angela
Mr. SUN Tak Chiu
Mr. CHAN Nim Leung, Leon
Mr. WONG San
Mr. KAN Chung Nin, Tony

COMPANY SECRETARY

Ms. MUI Ngar May, Joel

AUTHORISED REPRESENTATIVES

Ms. WONG Ching Yi, Angela
Mr. SZE Ka Ming

REGISTERED OFFICE

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Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
22nd Floor
Prince's Building
Central
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Chong Hing Bank Limited
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
OCBC Wing Hang Bank Limited

HONG KONG LEGAL ADVISER

Iu, Lai & Li
Rooms 2201, 2201A & 2202
22nd Floor, Tower I
Admiralty Centre
No. 18 Harcourt Road
Hong Kong

BERMUDA LEGAL ADVISER

Conyers Dill & Pearman
2901 One Exchange Square
8 Connaught Place
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited
Level 22, Hopewell Centre
183 Queen's Road East
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1200

| Chairman's Statement

Business Review

For the six months ended 30 June 2016 (the "Interim Period"), Midland Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") recorded a consolidated net loss attributable to equity holders of approximately HK\$134,416,000 compared with the consolidated net profit attributable to equity holders of approximately HK\$32,353,000 for the corresponding period of 2015. The Group's results for the six months ended 30 June 2016 among other factors, were adversely affected by:

1. the drop in the residential and non-residential property market sales activities in Hong Kong during the first half of 2016 as compared to the corresponding period of 2015; and
2. keen competition in the property agency industry, which led to upward pressure on rental in both Hong Kong and mainland China and on staff costs in mainland China.

Income and profitability during the reporting period were down against those in the corresponding period of 2015. Despite under the influence of the tough government measures, the property market in the first half of previous year was supported by the red-hot stock market. But in the beginning of the year, the property market was seriously battered by problems ranging from depreciation of Renminbi and sharp correction of equities market triggered by the implementation of circuit-breaking system in Chinese equities markets to gloomy economic outlook of the local economy.

26-year low in the first quarter

The market consolidation began in the final quarter of 2015. In particular, the local property market in the first quarter of this year was extremely weak. According to the Land Registry, the number of property sales registrations during January to March 2016 fell further to 8,860 units, a new quarterly low since 1991. The market slowdown in the first three months was across-the-board and transaction activities of both residential and non-residential sectors declined. For instance, new home sales registrations amounted to 1,325 units in the first quarter, 68.5% lower than the quarterly average in 2015.

When oil prices stabilised, concerns over hard-landing of mainland economy subsided and expectation on rate hikes dissipated, market sentiment improved in the second quarter and a mild recovery has begun. Developers sped up the pace of new launches and kept devising various preferential payment terms. Moreover, the mild price correction encouraged bargain hunting and transaction volume in the secondary home market increased. Despite the improvement of sentiment in recent months, the transaction volume and value remained low in the first half of 2016. Over the first six months of the year, both volume and value of property registrations recorded a year-on-year decline of 39%.

| Chairman's Statement (continued)

Outlook

Twists and turns

The mild market recovery, starting in the second quarter of this year is expected to last in the near term. The stabilisation of the macro-economic environment is the most important factor. No change in the US interest rate also helps. In near term, the property market will also be supported by solid stock market performance and capital inflow as a result of Brexit. Despite the persisting downtrends of retail sales and increasing number of vacant shops, the latest number of tourist arrivals to Hong Kong finally rebounded after falling for thirteen consecutive months.

Under the strong demand of mainland buyers, the high-end residential sector and the office market are likely to outperform. If the Shenzhen-Hong Kong Stock Connect is put through in the second half, these two types of properties will fare even better. However, the overall residential market is mainly dominated by local buyers. The demand accumulated during the consolidation which took place in late last year and early this year has not been fully released yet and it is expected to continue to support the mass market in the coming months. Primary home market is likely to be the market focus as supply in the secondary market has diminished after some listings were absorbed.

In recent years, the development of property sector is marked by its twists and turns. Whenever the macro-economic conditions deteriorate, market sentiment sours and both property prices and transaction volume fall. And when fears have settled, sales activities and property prices rebound. This newly emerged cycle is believed to last as the global economy still suffers from the problem of lack of growth. Besides, the shift in the expectation of the interest hikes will also sway market sentiments.

The Group believes the industry is concerned about external shocks, political developments as well as the adverse effect of government measures. One worrying signal is that the market transaction volume has persistently stayed at low level and never recovered to normal since the implementation of the various administrative measures. Clearly, some intervening policies suppress demand for housing as well as supply of the secondary home units. Supply is light in the secondary home sector, so even a mild increase in sales activity can now reinvigorate growth in property prices. Against a backdrop of new home supply hitting record high of 93,000 units, the government should start considering the relaxation of some tough measures such as abolishing Double Stamp Duty. The Group believes that less intervention can help restore market normalcy.

Sowing seeds for future success

The Group will continue to tackle this lumpy local property market proactively and to strive hard to improve costs efficiency and the impacts are expected to be gradually reflected. In addition, the Group will actively build its IT platform. Despite low market activity, the number of estate agents and estate agency outlets have stayed at an unreasonably high level for quite some time. The Group will continue to strengthen our business platform so as to sharpen our edge. The Group believes that a strong business platform can strengthen our market position.

Appreciation

I wish to express my gratitude to the board of directors of the Company for their contributions and support and to the management and the staff for their hard work and dedication.

WONG Kin Yip, Freddie
Chairman

| Strategic Review and Planning

Growth in Rental Expenses

Rental expenses increased 11% during the reporting period. One special feature of this industry is that rents for the agency outlets depend more on the property market sales activity than the overall trend of rents for the retail sector. Since the market sentiment was relatively buoyant in the first half of last year, some landlords, especially, those of the shopping malls, asked for higher rents for their premises. The impact of the rental increase from last year continues to take place. Outlets in good locations attract new customer and facilitate quality staff retention. Some landlords of the outlets in good locations receive rival bids for the best tenancy. In view of keen competition and to fend off competitors, the Group had to raise its bid for leases in 2015.

In mainland China, competition was even more intense. In most of tier-one mainland cities, the market was red-hot in the first quarter of this year and most of our competitors were aggressive in expanding their outlets. When the transaction activity was hit by government measures, business environment immediately turned to be extremely challenging for our mainland operations. In March 2016, the government of Shenzhen, the city which is the major focus of our mainland operations, announced some new demand curbing policies in order to cool down the over-heated property market. But, seemingly, the whole agency industry in Shenzhen is unwilling to make any adjustment in size.

Strived Hard to Improve Cost Efficiency

During the reporting period, the Group strived hard to improve the cost efficiency of the local operation through taking the following measures:

1. actively seeking rental reduction from individual landlords;
2. striving hard to raise net commission rate in new home sector;
3. launching variations of short-term incentive programs to strengthen our position in the primary market;
4. upholding the principle of "survival of the fittest" and recruiting elites of the industry; and
5. strengthening and investing in our multi-channel online platform to enhance online-to-offline customer experience.

Growing Importance of Business Platform

In the modern competitive era, the effectiveness of a business platform has become more important. Because of it, the Group has to strengthen its business platform to stay competitive. In property agency industry, a good business platform comprises comprehensive branch network, sound financial position, strong online platform, reliable brand, broad customer base and etc.

The Group will continue to strengthen our digital platform. The customer behavior is ever changing, the online to offline journey will require constant improvement and creation in order to enhance better customer experience.

WONG Ching Yi, Angela
Deputy Chairman and Managing Director

Management Discussion and Analysis

Liquidity and Financial Resources

The Group mainly finances its business operations with its internal resources and loan facilities from banks.

As at 30 June 2016, the Group had cash and bank balances of HK\$1,421,500,000 (as at 31 December 2015: HK\$1,303,066,000).

As at 30 June 2016, the interest-bearing bank borrowings of the Group amounted to HK\$430,868,000 (as at 31 December 2015: HK\$58,188,000) and with maturity profile set out as follows:

	As at 30 June 2016 HK\$'000	As at 31 December 2015 HK\$'000
Repayable		
Within 1 year	424,105	50,946
After 1 year but within 2 years	973	964
After 2 years but within 5 years	3,032	3,004
After 5 years	2,758	3,274
	430,868	58,188

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 2016, the gearing ratio, which is calculated on the basis of total borrowings over total equity of the Group, was 30.78% (as at 31 December 2015: 3.80%). Increase in gearing ratio was mainly due to the increase in bank borrowings to meet the short-term funding requirement for the sales of primary residential properties market. 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 1.5 (as at 31 December 2015: 1.7). The return on equity, which represents a ratio of (loss)/profit for the period over total equity of the Group, was -9.79% (six months ended 30 June 2015: 2.12%).

As at 30 June 2016, the Group had unutilised borrowing facilities amounting to approximately HK\$1,411,850,000 (as at 31 December 2015: HK\$1,485,000,000) from various banks. The borrowing facilities were granted to the Group on a floating rate basis. The directors of the Company ("Directors") will continue to adopt an appropriate financial policy so as to sustain an optimal level of borrowings to meet the Group's funding requirements.

Management Discussion and Analysis (continued)

Liquidity and Financial Resources (continued)

As at 30 June 2016, certain land and buildings and investment properties held by the Group of HK\$85,386,000 (as at 31 December 2015: HK\$86,305,000) and HK\$59,020,000 (as at 31 December 2015: HK\$76,360,000) were pledged to secure banking facilities granted to the Group. Borrowing facilities granted to the Group were also secured by floating charge over certain receivables of the Group, inter alia, with carrying value of approximately HK\$1,099,623,000 as at 30 June 2016 (as at 31 December 2015: HK\$932,017,000).

The Group's cash and bank balances are denominated in Hong Kong dollars, Renminbi and Macau Pataca and the Group's borrowings are in Hong Kong dollars. No currency hedging tool is used.

The Group's business has been conducted primarily in Hong Kong and its monetary assets and liabilities are mainly denominated in Hong Kong dollars. The Group is exposed to Renminbi exchange rate risk as the assets and liabilities of the Group's PRC subsidiaries are primarily denominated in Renminbi. Individual companies within the Group have limited foreign currency risk as most of the transactions are denominated in the same currency as the functional currency of the operations in which they relate. The Directors consider that no hedging measure against Renminbi exchange rate exposure is necessary at this stage but will closely monitor its fluctuations.

Contingent Liabilities

As at 30 June 2016, the Company executed corporate guarantees of HK\$1,862,000,000 (as at 31 December 2015: HK\$1,562,000,000) as part of the securities for general banking facilities granted to certain wholly-owned subsidiaries of the Company. As at 30 June 2016, HK\$431,223,000 of these facilities were utilised by the subsidiaries (as at 31 December 2015: HK\$59,364,000).

The Group has been involved in certain claims/litigations in respect of property agency services, including a number of cases in which third party customers alleged that certain Group's employees, when advising the customers, had made misrepresentations about the properties that the customers intended to acquire. After seeking legal advice, the management is of the opinion that either an adequate provision has been made in the financial statements to cover any potential liabilities or that no provision is required as based on the current facts and evidence there is no indication that an outflow of economic benefits is probable.

Employee Information

As at 30 June 2016, the Group employed 11,569 full time employees (as at 31 December 2015: 11,673) of which 10,278 were sales agents, 600 were back office supportive employees and 691 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 options 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. In respect of staff development, both in-house and external training and development programmes are conducted on a regular basis.

Other Information

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2016, the interests and short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

(i) Long positions in the shares and underlying shares of the Company

Name of Director	Number of ordinary shares			Number of underlying shares		Total	Approximate percentage of the issued shares of the Company
	Personal interest/Beneficial owner	Corporate interest/Interest of controlled corporation	Family interest/Interest of spouse	Personal interest/Beneficial owner	Family interest/Interest of spouse		
Mr. WONG Kin Yip, Freddie	24,490,000	161,340,144 (Note 1)	-	7,209,160 (Note 2)	7,209,160 (Note 3)	200,248,464	27.89%
Ms. TANG Mei Lai, Metty	-	-	185,830,144 (Note 4)	7,209,160 (Note 5)	7,209,160 (Note 6)	200,248,464	27.89%
Ms. WONG Ching Yi, Angela	-	-	-	7,209,160 (Note 7)	-	7,209,160	1.00%
Mr. KOO Fook Sun, Louis	-	-	-	150,000 (Note 8)	-	150,000	0.02%
Mr. SUN Tak Chiu	-	-	-	150,000 (Note 9)	-	150,000	0.02%

| Other Information (continued)

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures (continued)

(i) Long positions in the shares and underlying shares of the Company (continued)

Notes:

1. These shares were held by Sunluck Services Limited. Mr. WONG Kin Yip, Freddie ("Mr. WONG") indirectly owned 100% interests in Sunluck Services Limited through his wholly-owned company, namely Southern Field Trading Limited.
2. These underlying shares were held by Mr. WONG by virtue of the interests in the share options of the Company granted to him.
3. These underlying shares represent the interests in the share options of the Company held by Ms. TANG Mei Lai, Metty ("Ms. TANG"), the spouse of Mr. WONG, by virtue of the interests in the share options of the Company granted to her.
4. These shares represent the shares held directly or indirectly by Mr. WONG, the spouse of Ms. TANG, as ultimate beneficial owner.
5. These underlying shares were held by Ms. TANG by virtue of the interests in the share options of the Company granted to her.
6. These underlying shares represent the interests in the share options of the Company held by Mr. WONG, the spouse of Ms. TANG, by virtue of the interests in the share options of the Company granted to him.
7. These underlying shares were held by Ms. WONG Ching Yi, Angela by virtue of the interests in the share options of the Company granted to her.
8. These underlying shares were held by Mr. KOO Fook Sun, Louis by virtue of the interests in the share options of the Company granted to him.
9. These underlying shares were held by Mr. SUN Tak Chiu by virtue of the interests in the share options of the Company granted to him.
10. Details of the share options granted by the Company to the above Directors are set out in the sub-section headed "I. Share Option Schemes of the Company — (i) 2002 Share Option Scheme" under the section headed "Share Option Schemes" in this interim report.

Other Information (continued)

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures (continued)

(ii) Long positions in the shares and underlying shares of associated corporation of the Company

Name of associated corporation	Name of Director	Number of ordinary shares		Number of underlying shares		Total	Approximate percentage of the issued shares of associated corporation
		Personal interest/ Beneficial owner	Family interest/ Interest of spouse	Personal interest/ Beneficial owner	Family interest/ Interest of spouse		
Midland IC&I Limited ("Midland IC&I")	Mr. WONG Tsz Wa, Pierre	2,000,000	1,320,000 (Note 11)	90,000,000 (Note 12)	–	93,320,000	0.68%
Midland IC&I	Mr. CHEUNG Kam Shing	–	–	10,000,000 (Note 13)	–	10,000,000	0.07%
Midland IC&I	Ms. IP Kit Yee, Kitty	–	–	10,000,000 (Note 14)	–	10,000,000	0.07%

Notes:

- These shares represent the shares of Midland IC&I held by Ms. LAM Mee Yuk, the spouse of Mr. WONG Tsz Wa, Pierre, as beneficial owner.
- These underlying shares were held by Mr. WONG Tsz Wa, Pierre by virtue of the interests in the share options of Midland IC&I granted to him.
- These underlying shares were held by Mr. CHEUNG Kam Shing by virtue of the interests in the share options of Midland IC&I granted to him.
- These underlying shares were held by Ms. IP Kit Yee, Kitty by virtue of the interests in the share options of Midland IC&I granted to her.
- Details of the share options granted by Midland IC&I to the above Directors are set out in the sub-section headed "II. Share Option Scheme of Midland IC&I" under the section headed "Share Option Schemes" in this interim report.

Save as disclosed above, as at 30 June 2016, neither the Directors nor the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

| Other Information (continued)

Directors' Rights to Acquire Shares or Debentures

Save as disclosed in this interim report, at no time during the Interim Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2016, the interests and short positions of the substantial shareholders and other persons, other than the Directors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of substantial shareholder	Number of ordinary shares	Holding capacity/ Nature of interest	Approximate percentage of the issued shares of the Company
Southern Field Trading Limited (Note 1)	161,340,144 (L)	Interest of controlled corporation/ Corporate interest	22.47%
Sunluck Services Limited (Note 1)	161,340,144 (L)	Beneficial owner/Beneficial interest	22.47%
Apex Benchmark Limited	75,666,000 (L)	Beneficial owner/Beneficial interest	10.54%
Edgbaston Asian Equity Trust	43,460,000 (L)	Beneficial owner/Beneficial interest	6.05%
Edgbaston Investment Partners LLP	59,864,000 (L)	Investment manager/Other interest	8.34%
Hosking Partners LLP	35,903,335 (L)	Investment manager/Other interest	5.00%
Massachusetts Financial Services Company (Note 2)	82,025,000 (L)	Investment manager/Other interest	11.42%
Sun Life Financial, Inc. (Note 2)	82,025,000 (L)	Investment manager/Other interest	11.42%
UBS AG (Note 3)	7,111,844 (L)	Beneficial owner/Beneficial interest	0.99%
	8,196,000 (L)	Security interest/Other interest	1.14%
	24,770,000 (L)	Interest of controlled corporation/ Corporate interest	3.45%
	4,035,548 (S)	Beneficial owner/Beneficial interest	0.56%
	24,272,000 (S)	Interest of controlled corporation/ Corporate interest	3.38%

Remark: (L) – Long Position, (S) – Short Position

| Other Information (continued)

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares (continued)

Notes:

1. The two references to 161,340,144 shares relate to the same block of shares of the Company as disclosed under Mr. WONG in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures".
2. Details of the interest in long position of the 82,025,000 shares in which Sun Life Financial, Inc. ("SLF") was deemed to be interested were as follows:

Massachusetts Financial Services Company ("MFS") held (through itself and its 100% controlled corporations) an aggregate of 82,025,000 shares. MFS was a 93.36% owned subsidiary of Sun Life of Canada (U.S.) Financial Services Holdings, Inc. which was a 99.89% owned subsidiary of Sun Life Financial (U.S.) Investments LLC ("SLF(US)I"). SLF(US)I was a wholly-owned subsidiary of Sun Life Financial (U.S.) Holdings, Inc. which was a wholly-owned subsidiary of Sun Life Assurance Company of Canada – U.S. Operations Holdings, Inc. ("SLACC"). SLACC was a wholly-owned subsidiary of Sun Life Global Investments Inc. which was a wholly-owned subsidiary of SLF.

MFS was a subsidiary of SLF. Accordingly, MFS's interest in 82,025,000 shares was duplicated in the interest of SLF.

3. The interest of UBS AG included derivative interest in 530,000 shares of the Company (being long position and unlisted physically settled derivatives).

Save as disclosed above, as at 30 June 2016, no other substantial shareholders or persons had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

Other Information (continued)

Share Option Schemes

I. Share Option Schemes of the Company

(i) 2002 Share Option Scheme

Pursuant to an ordinary resolution passed by the shareholders of the Company at the special general meeting held on 30 April 2002, the Company adopted the 2002 share option scheme ("2002 Share Option Scheme"). The 2002 Share Option Scheme had expired on 29 April 2012. The terms of the 2002 Share Option Scheme for those outstanding share options already granted under the 2002 Share Option Scheme remain in force.

Movements in the outstanding share options of the Company granted under the 2002 Share Option Scheme during the Interim Period were as follows:

Name of Director	Date of grant	Exercise price per share HK\$	Number of share options				Balance outstanding as at 30 June 2016	Exercisable period
			Balance outstanding as at 1 January 2016	Granted during the Interim Period	Cancelled/lapsed during the Interim Period	Exercised during the Interim Period		
Mr. WONG	21 July 2011	4.29	3,604,580	-	-	-	3,604,580	1 August 2011 to 31 July 2019
	21 July 2011	4.29	3,604,580	-	-	-	3,604,580	1 January 2012 to 31 December 2019
Ms. TANG	27 October 2011	3.81	3,604,580	-	-	-	3,604,580	1 January 2012 to 31 December 2019
	27 October 2011	3.81	3,604,580	-	-	-	3,604,580	1 October 2013 to 30 September 2021
Ms. WONG Ching Yi, Angela	27 October 2011	3.81	3,604,580	-	-	-	3,604,580	1 January 2012 to 31 December 2019
	27 October 2011	3.81	3,604,580	-	-	-	3,604,580	1 October 2013 to 30 September 2021
Mr. KOO Fook Sun, Louis	21 July 2011	4.29	150,000	-	-	-	150,000	1 August 2011 to 31 July 2019
Mr. SUN Tak Chiu	21 July 2011	4.29	150,000	-	-	-	150,000	1 August 2011 to 31 July 2019
Total			21,927,480	-	-	-	21,927,480	

No share options of the Company were granted, exercised, cancelled or lapsed under the 2002 Share Option Scheme during the Interim Period.

| Other Information (continued)

Share Option Schemes (continued)

I. Share Option Schemes of the Company (continued)

(ii) 2016 Share Option Scheme

At the annual general meeting of the Company held on 23 June 2016, a share option scheme of the Company ("2016 Share Option Scheme") was adopted by the Company and approved by its shareholders.

No share options of the Company were granted, exercised, cancelled or lapsed under the 2016 Share Option Scheme during the Interim Period.

II. Share Option Scheme of Midland IC&I

At the extraordinary general meeting of Midland IC&I, the Company's listed subsidiary, held on 19 September 2008, a share option scheme of Midland IC&I ("Midland IC&I Share Option Scheme") was adopted by Midland IC&I and approved by its shareholders.

Movements in the outstanding share options of Midland IC&I granted under the Midland IC&I Share Option Scheme during the Interim Period were as follows:

Name of director	Date of grant	Exercise price per share HK\$	Number of share options				Balance outstanding as at 30 June 2016	Exercisable period
			Balance outstanding as at 1 January 2016	Granted during the Interim Period	Cancelled/lapsed during the Interim Period	Exercised during the Interim Period		
Directors of Midland IC&I								
Mr. WONG Hon Shing, Daniel	10 December 2014	0.044	5,000,000	-	-	-	5,000,000	15 December 2014 to 14 December 2019
	10 December 2014	0.044	5,000,000	-	-	-	5,000,000	15 December 2015 to 14 December 2019
	10 December 2014	0.044	5,000,000	-	-	-	5,000,000	15 December 2016 to 14 December 2019
Mr. TSANG Link Carl, Brian	2 September 2011	0.053	5,000,000	-	-	-	5,000,000	1 October 2011 to 30 September 2016
Mr. YING Wing Cheung, William	2 September 2011	0.053	5,000,000	-	-	-	5,000,000	1 October 2011 to 30 September 2016
Mr. SHA Pau, Eric	2 September 2011	0.053	5,000,000	-	-	-	5,000,000	1 October 2011 to 30 September 2016
Mr. HO Kwan Tat, Ted	2 September 2011	0.053	5,000,000	-	-	-	5,000,000	1 October 2011 to 30 September 2016

Other Information (continued)

Share Option Schemes (continued)

II. Share Option Scheme of Midland IC&I (continued)

Name of director	Date of grant	Exercise price per share HK\$	Number of share options				Balance outstanding as at 30 June 2016	Exercisable period
			Balance outstanding as at 1 January 2016	Granted during the Interim Period	Cancelled/ lapsed during the Interim Period	Exercised during the Interim Period		
Directors of the Company								
Mr. WONG Tsz Wa, Pierre	10 December 2014	0.044	30,000,000	-	-	-	30,000,000	15 December 2014 to 14 December 2019
	10 December 2014	0.044	30,000,000	-	-	-	30,000,000	15 December 2015 to 14 December 2019
	10 December 2014	0.044	30,000,000	-	-	-	30,000,000	15 December 2016 to 14 December 2019
Mr. CHEUNG Kam Shing	10 December 2014	0.044	5,000,000	-	-	-	5,000,000	15 December 2015 to 14 December 2019
	10 December 2014	0.044	5,000,000	-	-	-	5,000,000	15 December 2016 to 14 December 2019
Ms. IP Kit Yee, Kitty	10 December 2014	0.044	3,330,000	-	-	-	3,330,000	15 December 2014 to 14 December 2019
	10 December 2014	0.044	3,330,000	-	-	-	3,330,000	15 December 2015 to 14 December 2019
	10 December 2014	0.044	3,340,000	-	-	-	3,340,000	15 December 2016 to 14 December 2019
Total			145,000,000	-	-	-	145,000,000	

No share options of Midland IC&I were granted, exercised, cancelled or lapsed under the Midland IC&I Share Option Scheme during the Interim Period.

| Other Information (continued)

Purchase, Sale or 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.

Interim Dividend

The board of Directors (the "Board") does not declare an interim dividend for the Interim Period (2015: Nil).

Review of Financial Statements

The audit committee of the Company (the "Audit Committee") comprises four Independent Non-Executive Directors and one Non-Executive Director 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 Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The Audit Committee has also reviewed this interim report.

Change in Director's Information

Change in the information of the Director since the disclosure made in the 2015 annual report of the Company, that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, is set out below:

Mr. KAN Chung Nin, Tony has ceased to be a Committee Member of the Hong Kong Housing Authority with effect from 1 April 2016.

Corporate Governance

The Company has complied with all the code provisions set out in the Corporate Governance Code as stated 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.

On specific enquiries made, all the Directors confirmed that they had 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.

Condensed Consolidated Income Statement (Unaudited)

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Note	Six months ended 30 June	
		2016 HK\$'000	2015 HK\$'000
Revenues	4	2,105,323	2,164,396
Other (loss)/income	5	(612)	2,283
Staff costs		(1,291,667)	(1,208,043)
Rebate incentives		(377,794)	(343,495)
Advertising and promotion expenses		(43,073)	(40,693)
Operating lease charges in respect of office and shop premises		(310,539)	(279,110)
Impairment of receivables		(54,640)	(81,665)
Depreciation and amortisation costs		(24,348)	(20,281)
Other operating costs		(147,282)	(143,725)
Operating (loss)/profit	6	(144,632)	49,667
Finance income		1,372	1,564
Finance costs		(3,135)	(5,718)
Share of results of joint ventures		3,329	7,130
(Loss)/profit before taxation		(143,066)	52,643
Taxation	7	5,998	(17,521)
(Loss)/profit for the period		(137,068)	35,122
(Loss)/profit attributable to:			
Equity holders		(134,416)	32,353
Non-controlling interests		(2,652)	2,769
		(137,068)	35,122
(Loss)/earnings per share	9	HK cents	HK cents
Basic		(18.72)	4.51
Diluted		(18.72)	4.51

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
(Loss)/profit for the period	(137,068)	35,122
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	5,216	–
Change in fair value of available-for-sale financial assets	1,476	780
Change in fair value of land and buildings upon transfer from owner-occupied properties to investment properties	–	14,101
	<u>6,692</u>	<u>14,881</u>
Total comprehensive (loss)/income for the period, net of tax	<u>(130,376)</u>	<u>50,003</u>
Total comprehensive (loss)/income for the period attributable to:		
Equity holders	(127,724)	47,234
Non-controlling interests	<u>(2,652)</u>	<u>2,769</u>
	<u>(130,376)</u>	<u>50,003</u>

Condensed Consolidated Balance Sheet (Unaudited)

AS AT 30 JUNE 2016

		As at 30 June 2016 HK\$'000	As at 31 December 2015 HK\$'000
	Note		
ASSETS			
Non-current assets			
Property and equipment	10	167,533	166,475
Investment properties	10	87,415	105,074
Land use rights		1,187	1,233
Interests in joint ventures		60,064	70,887
Available-for-sale financial assets		12,572	11,982
Deferred taxation assets		25,103	15,992
		353,874	371,643
Current assets			
Trade and other receivables	11	1,656,989	1,412,779
Taxation recoverable		20,628	21,332
Cash and bank balances	12	1,421,500	1,303,066
		3,099,117	2,737,177
Total assets		3,452,991	3,108,820

Condensed Consolidated Balance Sheet (Unaudited) (continued)

AS AT 30 JUNE 2016

		As at 30 June 2016 HK\$'000	As at 31 December 2015 HK\$'000
	Note		
EQUITY AND LIABILITIES			
Equity holders			
Share capital	13	71,805	71,805
Share premium		223,505	223,505
Reserves		905,487	1,033,062
		1,200,797	1,328,372
Non-controlling interests		199,045	201,635
Total equity		1,399,842	1,530,007
Non-current liabilities			
Deferred taxation liabilities		3,293	3,121
Current liabilities			
Trade and other payables	14	1,613,867	1,514,506
Borrowings		430,868	58,188
Taxation payable		5,121	2,998
		2,049,856	1,575,692
Total liabilities		2,053,149	1,578,813
Total equity and liabilities		3,452,991	3,108,820

Condensed Consolidated Statement of Changes in Equity (Unaudited)

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Attributable to equity holders of the Company				Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Reserves HK\$'000	Total HK\$'000		
At 1 January 2016	71,805	223,505	1,033,062	1,328,372	201,635	1,530,007
Comprehensive loss						
Loss for the period	–	–	(134,416)	(134,416)	(2,652)	(137,068)
Other comprehensive income						
Currency translation differences	–	–	5,216	5,216	–	5,216
Change in fair value of available-for-sale financial assets	–	–	1,476	1,476	–	1,476
Total comprehensive loss	–	–	(127,724)	(127,724)	(2,652)	(130,376)
Transactions with owners						
Employee share option scheme – value of employee services	–	–	149	149	62	211
	–	–	149	149	62	211
At 30 June 2016	71,805	223,505	905,487	1,200,797	199,045	1,399,842
At 1 January 2015	71,805	223,505	1,110,799	1,406,109	200,431	1,606,540
Comprehensive income						
Profit for the period	–	–	32,353	32,353	2,769	35,122
Other comprehensive income						
Change in fair value of available-for-sale financial assets	–	–	780	780	–	780
Change in fair value of land and buildings upon transfer from owner-occupied properties to investment properties	–	–	14,101	14,101	–	14,101
Total comprehensive income	–	–	47,234	47,234	2,769	50,003
Transactions with owners						
Employee share option scheme – value of employee services	–	–	174	174	434	608
	–	–	174	174	434	608
At 30 June 2015	71,805	223,505	1,158,207	1,453,517	203,634	1,657,151

Condensed Consolidated Statement of Cash Flows (Unaudited)

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	Six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
Net cash (used in)/generated from operating activities	(254,495)	29,591
Net cash generated from/(used in) investing activities	4,485	(13,322)
Net cash generated from/(used in) financing activities		
– Proceeds from borrowings	1,870,400	2,011,500
– Repayments of borrowings	(1,497,720)	(2,147,163)
– Decrease in pledged bank deposit	–	3,400
Net increase/(decrease) in cash and cash equivalents	122,670	(115,994)
Cash and cash equivalents at 1 January	1,303,066	1,756,085
Exchange differences	(4,236)	–
Cash and cash equivalents at 30 June	1,421,500	1,640,091
Cash and cash equivalents comprise:		
Cash and bank balances	1,421,500	1,642,591
Bank deposits with original maturity over three months from date of deposits	–	(2,500)
Cash and cash equivalents as at 30 June	1,421,500	1,640,091

Notes to the Interim Financial Information (Unaudited)

1 General information

The Company is a limited liability company incorporated in Bermuda and listed on the main board of the Stock Exchange. The address of its registered office is Clarendon House, Church Street, Hamilton HM11, Bermuda and its head office and principal place of business in Hong Kong is Rooms 2505-8, 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 26 August 2016.

2 Basis of preparation

The condensed consolidated interim financial information for the six months ended 30 June 2016 has been prepared under the historical cost convention as modified by the revaluation of investment properties and available-for-sale financial assets, which are carried at fair values, and also prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the HKICPA and the applicable disclosure requirements of Appendix 16 to 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 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

3 Significant accounting policies

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 2015 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 2016.

(a) Standards and amendments effective in 2016

HKAS 1 (Amendment)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations
Annual Improvements Project	Annual Improvements 2012-2014 Cycle
HKFRS 14	Regulatory Deferral Accounts

The adoption of the above new standard and amendments to existing standards did not have significant effect on the financial information or result in any significant changes in the Group's significant accounting policies, except for certain changes in presentation and disclosures.

Notes to the Interim Financial Information (Unaudited) (continued)

3 Significant accounting policies (continued)

(b) Standards which are not yet effective

The following new standards have been issued but are not effective for 2016 and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 16	Leases	1 January 2019

4 Revenues and segment information

(a) Revenues

	Six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
Agency fee	2,094,885	2,150,056
Immigration consultancy services	7,732	10,758
Rental income	1,796	2,348
Web advertising	108	108
Other services	802	1,126
	2,105,323	2,164,396

(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 reports in order to assess performance and allocate resources. The Executive Directors determined the operating segments based on these reports.

The Executive Directors assess the performance based on the nature of the Group's businesses which are principally located in Hong Kong, the PRC and Macau, and comprise property agency businesses for residential, commercial and industrial properties and shops, and other businesses which mainly include property leasing and immigration consultancy services.

Notes to the Interim Financial Information (Unaudited) (continued)

4 Revenues and segment information (continued)

(b) Segment information (continued)

	Six months ended 30 June 2016			
	Property agency			
	Residential properties HK\$'000	Commercial and industrial properties and shops HK\$'000	Others HK\$'000	Total HK\$'000
Total revenues	1,847,658	310,616	14,254	2,172,528
Inter-segment revenues	(56,538)	(6,851)	(3,816)	(67,205)
Revenues from external customers	1,791,120	303,765	10,438	2,105,323
Segment results	(112,293)	(18,618)	5,010	(125,901)
Impairment of receivables	44,343	10,297	–	54,640
Depreciation and amortisation costs	19,844	3,412	494	23,750
Share of results of joint ventures	–	–	3,329	3,329
Fair value loss on investment properties	–	–	1,191	1,191
Additions to non-current assets	26,902	115	28	27,045

	Six months ended 30 June 2015			
	Property agency			
	Residential properties HK\$'000	Commercial and industrial properties and shops HK\$'000	Others HK\$'000	Total HK\$'000
Total revenues	1,872,214	337,247	18,205	2,227,666
Inter-segment revenues	(45,428)	(13,977)	(3,865)	(63,270)
Revenues from external customers	1,826,786	323,270	14,340	2,164,396
Segment results	57,625	8,552	11,032	77,209
Impairment of receivables	49,411	32,254	–	81,665
Depreciation and amortisation costs	16,056	3,184	443	19,683
Share of results of joint ventures	–	–	7,130	7,130
Fair value gain on investment properties	–	–	910	910
Additions to non-current assets	22,241	2,950	105	25,296

Notes to the Interim Financial Information (Unaudited) (continued)

4 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, realised (loss)/gain 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 (loss)/profit before taxation is provided as follows:

	Six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
Segment results for reportable segments	(125,901)	77,209
Corporate expenses	(14,722)	(20,509)
Realised (loss)/gain on available-for-sale financial assets	(680)	97
Finance income	1,372	1,564
Finance costs	(3,135)	(5,718)
(Loss)/profit before taxation per consolidated income statement	(143,066)	52,643

Segment assets and liabilities exclude corporate assets and liabilities, deferred taxation, 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 2016			
	Property agency			Total
	Residential properties	Commercial and industrial properties and shops	Others	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	2,011,252	867,594	168,750	3,047,596
Segment assets include:				
Interests in joint ventures	–	–	60,064	60,064
Segment liabilities	1,340,471	251,142	20,062	1,611,675

Notes to the Interim Financial Information (Unaudited) (continued)

4 Revenues and segment information (continued)

(b) Segment information (continued)

	As at 31 December 2015			
	Property agency			Total HK\$'000
	Residential properties HK\$'000	Commercial and industrial properties and shops HK\$'000	Others HK\$'000	
Segment assets	1,570,198	860,192	198,211	2,628,601
Segment assets include:				
Interests in joint ventures	–	–	70,887	70,887
Segment liabilities	1,251,220	232,662	25,058	1,508,940

Reportable segment assets are reconciled to total assets as follows:

	As at 30 June 2016 HK\$'000	As at 31 December 2015 HK\$'000
Segment assets	3,047,596	2,628,601
Corporate assets	367,720	452,245
Deferred taxation assets	25,103	15,992
Available-for-sale financial assets	12,572	11,982
Total assets per consolidated balance sheet	3,452,991	3,108,820

Reportable segment liabilities are reconciled to total liabilities as follows:

	As at 30 June 2016 HK\$'000	As at 31 December 2015 HK\$'000
Segment liabilities	1,611,675	1,508,940
Corporate liabilities	438,181	66,752
Deferred taxation liabilities	3,293	3,121
Total liabilities per consolidated balance sheet	2,053,149	1,578,813

Notes to the Interim Financial Information (Unaudited) (continued)

4 Revenues and segment information (continued)

(b) Segment information (continued)

Geographical information:

	Six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
Hong Kong and Macau	1,470,706	1,784,089
PRC	634,617	380,307
Revenues from external customers	<u>2,105,323</u>	<u>2,164,396</u>

Revenues are attributed to locations where the transactions took place.

5 Other (loss)/income

	Six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
Fair value (loss)/gain on investment properties	(1,191)	910
Realised (loss)/gain on available-for-sale financial assets	(680)	97
Others	1,259	1,276
	<u>(612)</u>	<u>2,283</u>

6 Operating (loss)/profit

Operating (loss)/profit is arrived at after charging:

	Six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
Loss on disposal of property and equipment	<u>454</u>	<u>637</u>

Notes to the Interim Financial Information (Unaudited) (continued)

7 Taxation

	Six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
Current		
Hong Kong profits tax	2,901	12,286
Overseas	40	(27)
Deferred	(8,939)	5,262
	<u>(5,998)</u>	<u>17,521</u>

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 June 2015: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

8 Dividends

The Board does not declare an interim dividend for the Interim Period (six months ended 30 June 2015: Nil).

9 (Loss)/earnings per share

The calculation of basic and diluted (loss)/earnings per share is based on the following:

	Six months ended 30 June	
	2016	2015
	HK\$'000	HK\$'000
(Loss)/profit attributable to equity holders	<u>(134,416)</u>	<u>32,353</u>
Number of shares for calculation of basic (loss)/earnings per share (thousands)	718,046	718,046
Effect on conversion of share options (thousands)	–	–
Number of shares for calculation of diluted (loss)/earnings per share (thousands)	<u>718,046</u>	<u>718,046</u>
Basic (loss)/earnings per share (HK cents)	(18.72)	4.51
Diluted (loss)/earnings per share (HK cents)	<u>(18.72)</u>	<u>4.51</u>

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of shares in issue during the period.

In calculating the diluted (loss)/earnings per share, the weighted average number of shares is adjusted to assume conversion of all dilutive potential shares from share options. The number of shares that could have been acquired at fair value (according to the average market price of the shares of the Company) based on the monetary value of the subscription rights attached to the outstanding share options is determined. 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 (loss)/earnings per share for both periods did not assume the exercise of share options since the exercise of share options would have an anti-dilutive effect.

Notes to the Interim Financial Information (Unaudited) (continued)

10 Property and equipment and investment properties

Land and buildings with net book value of HK\$85,386,000 (as at 31 December 2015: HK\$86,305,000) and investment properties with net book value of HK\$59,020,000 (as at 31 December 2015: HK\$76,360,000) were pledged as security for the Group's banking facilities.

The valuations of the investment properties were undertaken by Midland Surveyors Limited, a qualified professional surveyor under the Group with appropriate professional qualifications and recent experience in the valuation of similar properties in the relevant locations. Fair values of investment properties in Hong Kong and the PRC are generally derived using the income capitalisation method. This valuation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to valuers' view of recent lettings, within the subject properties and other comparable properties.

During the period ended 30 June 2016, an investment property was disposed of at a consideration of HK\$15,800,000.

During the period ended 30 June 2015, land and building with fair value of HK\$16,410,000 was transferred from property and equipment to investment properties. The increase in fair value at the date of transfer of HK\$14,101,000 was recognised in other comprehensive income as change in fair value of property and equipment.

11 Trade and other receivables

	As at 30 June 2016 HK\$'000	As at 31 December 2015 HK\$'000
Trade receivables	1,512,057	1,256,914
Less: provision for impairment	(190,721)	(163,290)
Trade receivables, net	1,321,336	1,093,624
Other receivables, prepayments and deposits	335,653	319,155
	<u>1,656,989</u>	<u>1,412,779</u>

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 based on due date is as follows:

	As at 30 June 2016 HK\$'000	As at 31 December 2015 HK\$'000
Not yet due	1,268,849	1,027,974
Less than 30 days	18,963	21,872
31 to 60 days	16,366	27,004
61 to 90 days	7,055	9,078
Over 90 days	10,103	7,696
	<u>1,321,336</u>	<u>1,093,624</u>

Notes to the Interim Financial Information (Unaudited) (continued)

11 Trade and other receivables (continued)

The Group's trade and other receivables are mainly denominated in Hong Kong dollars and Renminbi.

Borrowing facilities granted to the Group were also secured by floating charge over certain receivables of the Group, inter alia, with carrying value of approximately HK\$1,099,623,000 as at 30 June 2016 (as at 31 December 2015: HK\$932,017,000).

12 Cash and bank balances

As at 30 June 2016, the cash and bank balances include cashier's orders amounting to HK\$574,800,000 (as at 31 December 2015: HK\$298,920,000), certain amount of which were temporarily placed to property developers for business purpose.

13 Share capital

	Number of shares (HK\$0.10 each)	Nominal value HK\$'000
Issued and fully paid: At 31 December 2015 and 30 June 2016	718,046,005	71,805

14 Trade and other payables

	As at 30 June 2016 HK\$'000	As at 31 December 2015 HK\$'000
Commissions and rebate payables	1,175,402	1,043,652
Other payables and accruals	438,465	470,854
	<u>1,613,867</u>	<u>1,514,506</u>

Trade payables include mainly the commissions or rebate payables to property consultants, co-operative estate agents and property buyers, which are due for payment only upon the receipt of corresponding agency fees from customers. These balances include commissions and rebate payables of HK\$266,723,000 (as at 31 December 2015: HK\$229,927,000) which are due for payment within 30 days after period end, and all the remaining commissions and rebate payables are not yet due.

The Group's trade and other payables are mainly denominated in Hong Kong dollars and Renminbi.

15 Capital commitment

The Group did not have any significant capital commitment as at 30 June 2016 and 31 December 2015.

Notes to the Interim Financial Information (Unaudited) (continued)

16 Contingent liabilities

As at 30 June 2016, the Company executed corporate guarantees of HK\$1,862,000,000 (as at 31 December 2015: HK\$1,562,000,000) as part of the securities for general banking facilities granted to certain wholly-owned subsidiaries of the Company. As at 30 June 2016, HK\$431,223,000 of these facilities were utilised by the subsidiaries (as at 31 December 2015: HK\$59,364,000).

The Group has been involved in certain claims/litigations in respect of property agency services, including a number of cases in which third party customers alleged that certain Group's employees, when advising the customers, had made misrepresentations about the properties that the customers intended to acquire. After seeking legal advice, the management is of the opinion that either an adequate provision has been made in the financial statements to cover any potential liabilities or that no provision is required as based on the current facts and evidence there is no indication that an outflow of economic benefits is probable.

17 Significant related party transactions

The Group had the following significant transactions with related parties during the period:

	Note	Six months ended 30 June	
		2016	2015
		HK\$'000	HK\$'000
(a) Transactions with related parties			
Operating lease rental expenses paid to related companies in respect of office and shop premises	(i)	4,745	4,694
Consultancy fee paid to a director	(ii)	–	1,680
(b) Key management compensation			
Fees, salaries, allowances and incentives	(iii)	9,184	10,510
Share-based benefits	(iii)	171	538
Retirement benefit costs	(iii)	35	46
		<u>9,390</u>	<u>11,094</u>

Notes:

- (i) The Group entered into certain operating lease agreements with certain related companies, of which the beneficial owner is a director of the Company, on terms mutually agreed by both parties.
- (ii) During the period ended 30 June 2015, consultancy fee was paid to a director, for acting as the strategic consultant of the Company.
- (iii) The amount represents emoluments paid or payable to Executive Directors for the period.