

行業建基 風雲再起

Create a Lasting Foundation,
Rising with Momentum



創立52載 上市30年

**Celebrating 52 Years Anniversary
And 30 Years of Distinguished Listing**

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. WONG Kin Yip, Freddie (*Chairman*)
 Ms. WONG Ching Yi, Angela
 (*Deputy Chairman and
 Managing Director*)
 Mr. SZE Ka Ming
 (*Chief Financial Officer*)

Independent Non-Executive Directors

Mr. HO Kwan Tat, Ted
 Mr. SUN Tak Chiu
 Mr. CHAN Nim Leung Leon

AUDIT COMMITTEE

Mr. HO Kwan Tat, Ted
 (*Committee Chairman*)
 Mr. SUN Tak Chiu
 Mr. CHAN Nim Leung Leon

REMUNERATION COMMITTEE

Mr. SUN Tak Chiu
 (*Committee Chairman*)
 Mr. WONG Kin Yip, Freddie
 Ms. WONG Ching Yi, Angela
 Mr. HO Kwan Tat, Ted
 Mr. CHAN Nim Leung Leon

NOMINATION COMMITTEE

Mr. HO Kwan Tat, Ted
 (*Committee Chairman*)
 Mr. WONG Kin Yip, Freddie
 Ms. WONG Ching Yi, Angela
 Mr. SUN Tak Chiu
 Mr. CHAN Nim Leung Leon

COMPANY SECRETARY

Ms. MUI Ngar May, Joel

AUTHORISED REPRESENTATIVES

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

REGISTERED OFFICE

Clarendon House
 2 Church Street
 Hamilton HM 11
 Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 2505-8, 25th Floor
 World-Wide House
 19 Des Voeux Road Central
 Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
 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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
 Clarendon House
 2 Church Street
 Hamilton HM11
 Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
 17/F, Far East Finance Centre
 16 Harcourt Road
 Hong Kong

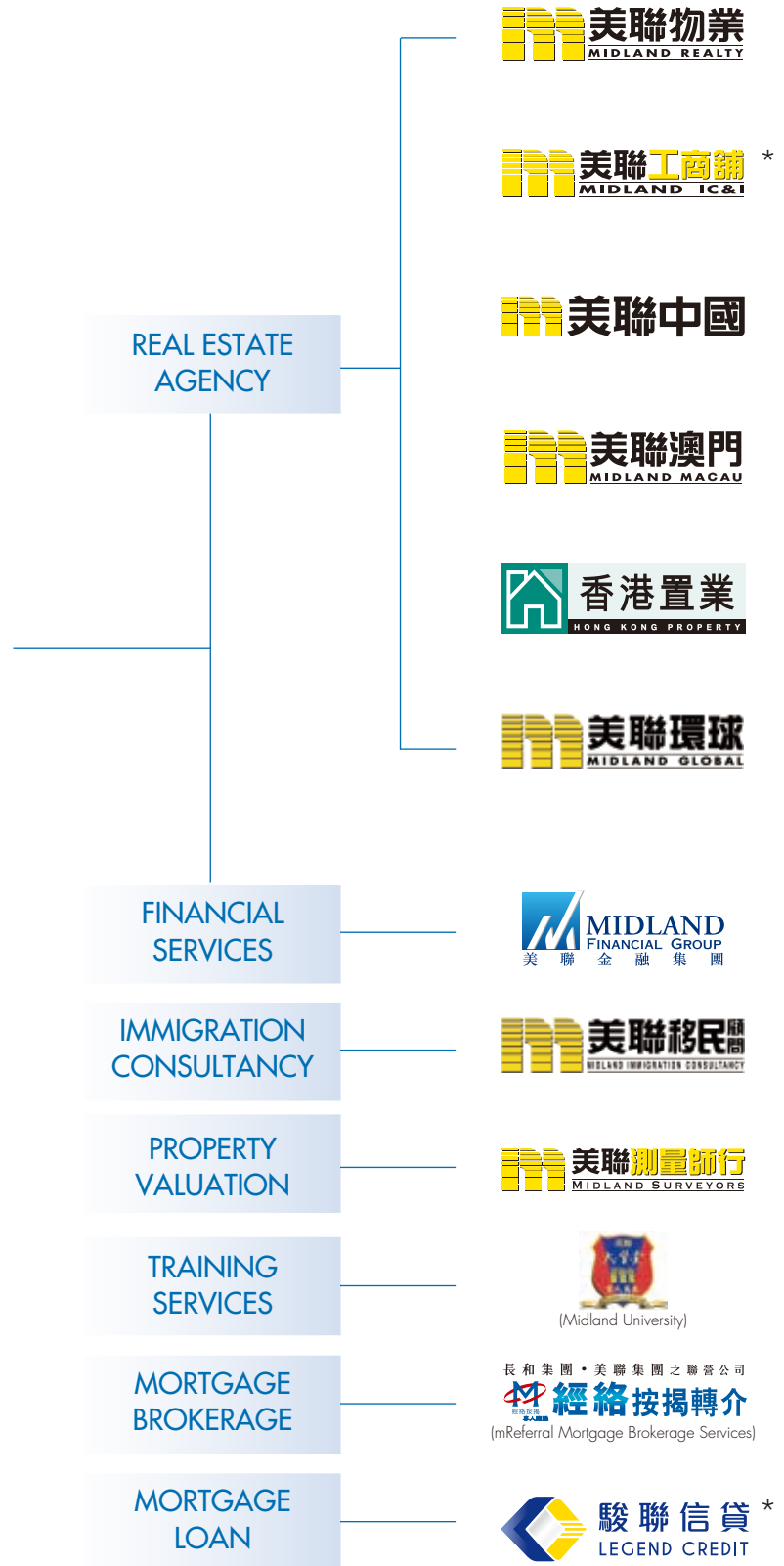
WEBSITE

www.midland.com.hk

STOCK CODE

1200

Strategic Business Units



* Related Company

Strategic Business Units

Strategic Business Units

Business Description



Midland Realty



Provision of residential property agency services in Hong Kong



Midland IC&I



A related company of the Company, providing non-residential property agency services in respect of industrial, commercial and shop properties in Hong Kong



Midland China



Provision of property agency services, project planning, commercial property management and marketing and sales planning in the PRC



Midland Macau



Provision of property agency services, surveying, project planning, leasing and property management services in Macau



Hong Kong Property



Provision of residential property agency services in Hong Kong



Midland Global



Provision of overseas property projects' marketing and referral services in the PRC, Hong Kong and Macau



Midland Financial Group



A joint venture of the Company, providing independent financial planning consultancy services, insurance brokerage and wealth management services



Midland Immigration Consultancy



Provision of immigration consultancy services in Hong Kong and Macau



Midland Surveyors



Provision of professional surveying consultancy services including valuation advisory, development study, sales, marketing, tender and auction for projects



Midland University



Group's training center with the vision to strengthen the professionalism of employees, to lead the market as well as to cultivate elite for the industry



mReferral Mortgage Brokerage Services



A joint venture with a major developer, offering mortgage referral services as well as provision of related information



Legend Credit



A related company of the Company, providing mortgage loan services in Hong Kong

Major Events and Awards for the Year

Group's Annual Dinner themed around "Inheritance, Innovation and Inclusion Leading to Mutual Success"

The Group's Annual Dinner, themed "Inheritance, Innovation and Inclusion Leading to Mutual Success", celebrated Midland's proud culture and forward-looking spirit. The Group's strong performance was made possible by the dedication of all colleagues, and the dinner was organised to express the gratitude for their contributions. The creative stage design, highlighted by a T-shaped runway, saw outstanding teams make their entrance in a lively catwalk show, showcasing Midland's energy and team spirit. The evening featured a vibrant lineup of performances, from renowned singers and dynamic girl groups to a DJ set that kept the crowd on their feet – sharing enjoyment for colleagues of all ages and roles. A record number of photo zones were set up, for guests to capture and share their memorable moments. To ensure all achievers were honoured for their excellence, the Real Estate Agents Awards Ceremony was held across both the daytime and evening session, presenting more than 250 awards in total. The Residential Division of Midland Realty claimed the top honour, the "Highest Profit Contribution Award for the Group", underscoring its remarkable performance. Looking ahead to 2026, Midland will continue to uphold our core concept of "Inheritance, Innovation and Inclusion Leading to Mutual Success", advancing toward a brighter future with the people-first and cohesion spirit.



Industry's first launch of "AI Natural Language Property Search Function" – "Smart Quick Search"

Technological innovation has become a key growth driver for the Group. Continuous upgrades have been made across the internal systems with several core AI tools, including the AI Copywriting Assistant, AI Daily Property Market Focus, and AI Estate News Summary, greatly enhancing efficiency. During the Chinese New Year Gathering, the Group announced the industry's first AI Natural Language Property Search Function, and officially launched on its website and mobile application, named "Smart Quick Search". Unlike traditional search models, users no longer need to select filters one by one. They can simply enter a short, conversational text describing their demands, and the system instantly analyses the key points and automatically matches the most relevant listings. The system is specifically trained to understand Cantonese and local real estate terms, recognising common abbreviations and jargon. It enables multi-dimensional searches across features such as district, estate, size, number of rooms, price, rent, building age and school network, utterly elevating property search experience.



Major Events and Awards for the Year

30th anniversary of listing celebration feast

To mark the 30th anniversary of the Group's listing, a "Victory Whole Lamb Feast" was held at the historic Hong Kong Golf Club. Members of the Board of Directors, senior management and frontline managers gathered to celebrate this important milestone. The banquet's highlight – a roasted whole lamb – symbolised triumph and success, reflecting Midland Group's determination to achieve new excellence on its next journey. Mr. Wong Kin Yip, Chairman of the Group, added a nostalgic touch by wearing the same glasses he wore at the time of the listing, reminiscing about Midland's remarkable journey in leading industry transformation and elevating the standing of property agents.



Industry-first invited to CCTV Beijing interview

As Hong Kong's leading listed agency with half a century of continuous innovation, strong market influence, and stellar achievements, the Group became the first in the industry invited by CCTV's "Climbers" programme for a Beijing interview. The feature showcased the Midland brand story, highlighting how the Group connects property value through innovation, builds a real estate ecosystem, and achieves ongoing breakthroughs via robust systems, management, services, talent, and technology applications.



Presenting a number of awards at the Mid-Year Awards Ceremony

Midland has sustained strong performance. To recognise its outstanding agent elites, the Group hosted a grand Mid-Year Awards Ceremony at a five-star hotel, themed "Striving for Excellence, Soaring to New Heights". Senior management attended to honour the winners, joined by top industry talents in a star-studded gathering. Over 600 awards were presented. Midland Realty's Residential Division claimed the ceremony's highest honour, the "Highest Profit Contribution Award for the Group", while Kowloon District won the "Highest Profit Contribution Award for the Residential Division". The event featured lucky draws and game prizes worth hundreds of thousands, with over half of the awardees receiving cash rewards. Records were broken in award numbers, total prize money, and winner ratio. To highlight innovation, the ceremony incorporated a record number of technological elements, allowing colleagues to capture their moments of glory.



Major Events and Awards for the Year

Consecutive successes in new property projects, number of top-selling projects rose by 63% year-on-year

The Group continues to excel in the new property market, achieving strong results across multiple projects through precise strategies and professional teamwork. Sales teams collaborated closely with developers on diverse activities, helping colleagues gain in-depth project knowledge, fully understand property advantages and enhance client purchasing experiences. These efforts secured top sales for Midland in 2025 across prominent projects including Nexus Grand, THE HIGHLINE, Phase 2 of Le Mont, Phase 3 of Le Mont, THE PADDINGTON, Phase 3A of NOVO LAND, TWIN VICTORIA, KT Marina 1, ONE PARK PLACE and Eight Southpark.

Overall, Midland's top-selling project count rose by approximately 63% year-on-year – a remarkable achievement that solidifies the Group's leadership in new property sales and deepens trust from major developers. The team swept multiple awards at Wheelock Properties' ceremony and earned high commendation plus special awards at Emperor Properties' "Chinese New Year Friends Gathering", recognising their outstanding performance.



Chinese New Year "Lion Dance for Elites" in recognition of the top branches of the year

During Chinese New Year, the Group once again hosted the "Lion Dance for Elites" annual gala to publicly recognise the top-performing branches in Hong Kong Island, Kowloon, and New Territories for 2025 turnover. The event embodied traditional victory celebrations while boosting morale, symbolising elite teams charging forward like the spirited lion – aiming for new peaks in the coming year. The atmosphere was electric. Frontline managers felt deeply inspired by the Company's thoughtful arrangements, and warmed by festive care. All colleagues united to pioneer a more glorious development chapter.



169 Branches win EAA "CPD Mark" – topping industry for 5th consecutive year

Guided by its "people-first, talent-nurturing" philosophy, Midland continuously elevates agent professionalism. Its 169 branches received the Estate Agents Authority (EAA)'s "CPD Mark for Estate Agencies", topping the industry for the fifth consecutive year – further affirming the Group's industry-leading position.



Major Events and Awards for the Year

Invited to visit “BOC (Hong Kong) History Museum”, Strengthening strategic partnership

The Group has long been committed to building a cross-industry collaboration ecosystem, maintaining a strategic partnership with Bank of China (Hong Kong) for many years. Recently, it was invited as the first Hong Kong enterprise to visit the newly renovated “Bank of China (Hong Kong) History Museum”. Senior management, accompanied by directors from various business divisions, attended the tour. Under professional guidance, they gained deep insights into the bank’s centennial development and Hong Kong’s financial system, inspiring fresh market perspectives for the team.



Midland Elite Club: exchange broadens horizons, unity drives success

The Midland Elite Club held diverse activities throughout the year to deepen sales teams’ understanding of the national property market and strengthen cross-regional collaboration and cohesion. Spanning Chinese Mainland and Hong Kong, activities included a Mainland study tour exploring residential market trends, site visits to real estate projects, and exchanges with the Group’s China Division management on market dynamics to broaden their industry perspectives.

In addition, the year’s “Elite Showdown: Peak Challenge” team-building featured competitive challenges testing collaboration and strategy, further unleashing team potential and execution. The luxury elite group Midland Luxuria Guild continued its tradition with a “Family Office” themed tea seminar, inviting experts to analyse asset succession and wealth management trends, fostering cross-disciplinary cooperation and idea exchange.



Nurturing talent, expanding recruitment platforms

Responding to the HKSAR Government’s “Talent Attraction” call, the Group participated in the “2025 Hong Kong International Talent Career Expo” organised by Hong Kong Talent Engage. The expo gathered over 40 renowned enterprises, attracting nearly 6,000 global talents. A professional team from Human Resources department and frontline executives set up a booth at the venue to showcase the Group’s diverse business strengths, which received around 300 job enquiries and applications, highlighting its brand appeal and industry leadership.



Chairman's Statement

Business Review

Midland Holdings Limited (the "Company", together with its subsidiaries, the "Group") is pleased to announce that for the year ended 31 December 2025, the Group recorded a profit attributable to equity holders of approximately HK\$423 million, representing an increase of 32% as compared with the year ended 31 December 2024.

The growth in the Group's profit was mainly attributable to the remarkable performance of all the Group's business units, particularly "Midland Realty 美聯物業" and "Hong Kong Property 香港置業" during the year. This growth resulted from:

- (a) the Group's success in achieving business growth through a series of management initiatives of the Group amid continued residential market recovery;
- (b) the Group's growth in market share in both primary and secondary residential sectors; and
- (c) the Group's persistent efforts on improving operating efficiency, with a focus on retaining and attracting best talents and delivering high quality services to our clients.

A year of recovery

Year 2025 was the year of recovery for the Hong Kong's residential market. All four key indicators – primary home sales, secondary home sales, rents and property prices – registered growth over the year. According to the figures from Sales of First-hand Residential Properties Electronic Platform, the number of new home transactions in 2025 increased. Strong response to new project sales has helped developers offload their inventories and deleverage. Encouragingly, the secondary home market rebounded in the meantime, suggesting a broad-based recovery.

Rental movements have been a bright spot for the market since the launch of various talent schemes in the first quarter of 2023, continuing to grow by around 3% year-on-year in 2025. However, the most indicative figure is the 5% year-on-year increase in property prices. Not only did this end the three-year downturn, but the rebound in property price also helped restore buyers' confidence and stimulated stronger property demand.

A volatile first half, but a strong second half

The first half of 2025 was marked by volatility. The beginning of the year was quiet due to the Lunar New Year holiday. Then the "DeepSeek Moment" propelled the local stock market to multi-year highs and lifted the property market. In late February, the Government injected momentum into the market by reducing stamp duties to HK\$100 per transaction for properties with a consideration below HK\$4 million. Nevertheless, amid the uncertain economic outlook, home buyers tended to limit their purchase sizes, resulting in a decrease in the overall market transaction value in the first half of 2025 year-on-year. In April, the re-escalation of the trade war triggered a short-lived consolidation, but the market soon turned active again in May when HIBOR dropped sharply. Overall, property prices saw an approximate 0.7% year-on-year decline in the first half of 2025.

Notably, the HIBOR, after diving below the 1% mark in May 2025, hovered at around 3% for the rest of the year from August onward. Despite this, the Hong Kong property market continued to gain strength. Compared with that in the first half, home sales registrations increased by about 18.33% in the second half of 2025.

From a macro perspective, the de-escalation of the trade war between China and the US provided a strong dose of confidence in the economic outlook. After all, confidence is one of the most important factors in property purchases. Another factor boosting buyers' confidence is the trend of rising rents. Between 2023 and 2025, rents rose by a cumulative total of about 9%, lifting the rental return to around 3.6%, a level high enough for some tenants to consider switching from renting to buying properties. Investors also found the rental yields attractive, thus spurring numerous multi-property buying activities in the new home sector. In addition, developers made positive progress in de-stocking. In the past two years, the strong sales response to new projects, coupled with the Government's cuts to the scale of land sales, led to a drop in the overall housing supply from peak. Developers have clearly adjusted their sales strategy from a volume-driven approach to a balanced approach with quantity and price. A favourable dynamic between the primary and secondary markets has started to form, laying a strong foundation for market growth in 2026.

Chairman's Statement

Outlook

Uptrend expected to continue

The Group expects Hong Kong's property market to continue its uptrend in 2026. This view is based on factors such as stable Mainland and local demand, declining supply, rising rents and lower interest rates.

1. Stable demand from Mainland buyers

After the removal of all tightening measures by the Hong Kong Government in the beginning of 2024, property demand from Mainland buyers increased meaningfully during the year, and carried forward into 2025. Driven by practical needs of Mainland buyers, such as children's education, work visa renewals, and obtaining permanent residency, etc., such demand shows no signs of weakening any time soon. Furthermore, amid a weak Mainland property market, the outperformance of the Hong Kong residential sector is expected to instill investment demand from Mainland investors, providing further support to the local home market.

2. Declining supply and belief in properties

After peaking in the beginning of 2024, the underlying property supply dropped by almost 9% year-on-year to just over 104,000 units by the end of the final quarter of 2025. Developers have made a subtle adjustment to their sales strategy, from mainly pursuing sales volume to achieving a good balance between quantity and price which is favourable for market development. The positive sales response to Sierra Sea II A&B, a new project launched in the beginning of 2026, is a strong signal that the market is on a fast track of recovery. With all the units launched being snapped up within hours, Sierra Sea is the latest project which has managed to achieve price increases. According to the Group's own tally, the sales discount offered by developers had shrunk from more than 10% in the second quarter of 2024 to less than 1% in the fourth quarter of 2025. This signals the formation of a virtuous cycle in the market. The relatively high prices of new projects will drive up prices and transaction volumes in the nearby secondary market. In turn, a robust secondary residential segment encourages developers to raise prices further. This virtuous cycle will also strengthen developers' confidence in land acquisition.

3. Rising rents

Home rents have been on the rise for three years since the Hong Kong Government launched various talent schemes in early 2023. Applications under these programs have remained high and this trend is unlikely to reverse. For instance, more Mainland companies are expected to establish operations in Hong Kong amid a surge in the number of IPOs of Mainland companies. Corporations such as Contemporary Ampere Technology Co., Limited have already set up international headquarters in Hong Kong, and they need to send elite staff to Hong Kong to fill the positions. Another factor supporting the rental market is the growing number of non-local students, as the Government raises the non-local student quota for subsidised universities, and education institutions are acquiring properties to expand and offer more courses. And there have been signs showing that some emigrants are returning, providing support to the rental market given a persistent trend.

4. Lower interest rate

Growth in rents has lifted rental yields to above the mortgage rates since the end of 2024, creating a favourable impact on the dynamic between buying and renting. Transaction volumes among local buyers increased for both primary and secondary home sectors in 2025. In 2026, buyers are more inclined to enter the market, as the Federal Reserve interest rates are expected to fall after the change of its chairman, thereby further supporting local property demand.

Chairman's Statement

Lingering uncertainty

Hong Kong's economy is on a recovery trajectory, evidenced by the stellar performance of the financial sector. In particular, the IPO market has gone from strength to strength with a rising number of Mainland companies coming to Hong Kong to raise capital. Some companies may rent or even buy office space in Hong Kong to set up operations. A strong capital market also helps relieve the financial strain of the Government, leaving more room for launching economic stimulus measures if necessary. Another key government initiative is tourism development. The completion of Kai Tak Stadium has provided Hong Kong with an extra edge to attract tourists. In 2025, the tourist numbers posted a strong growth of 12%. However, the retail industry has yet to return to its heyday, with retail sales posting an increase of just 1% year-on-year in 2025. So far, cross-border travel shows no signs of slowing any time soon. More and more Hong Kong residents are not content with short trips to nearby cities and are instead willing to spend more time commuting to the inner regions of the Mainland. Thus, a full recovery of the local retail sector is not in sight. Since the retail sector accounts for a significant share of the local workforce, its weakness will continue to weigh on the recovery.

On the macro front, the overall outlook is extremely unpredictable. From reciprocal tariffs and the probe of the Federal Reserve Chairman to the capture of the Venezuelan president and controversies over the control of Greenland, any move by the U.S. president could have profound impacts on the global economy. And the ongoing US-Iran conflicts may trigger a sharp rise in oil prices and may derail the trajectory of interest rate cuts and batter the global economy. An emerging challenge for business leaders today is the growing difficulty in making long-term business plans. Surely, the trade war has cooled for now, but the situation could go in an unexpected direction. It has become clear that the world order is shifting from globalization to multi-polarisation, spawning tremendous uncertainty during transition.

One point worth noting is that while global equity markets have repeatedly reached new highs, volatility is also on the rise. The bloodbath in the precious metals market in late January 2026, particularly the huge swings in gold and silver prices, is a fresh reminder that financial products carry inherent risks. Against this backdrop, the value-preserving function of properties may be emphasized, appetite for property investment is expected to strengthen further.

Appreciation

In the last five years, the property market went through a boom and bust cycle. During the pandemic, the Group suffered financial losses. However, thanks to the all-out efforts of the top management in leading the reengineering and innovation, the Group was able to record a decent amount of profit in 2024 and 2025. I would like to express my sincere gratitude to our entire workforce for their unrelenting commitment to capturing opportunities in an ever-changing market and navigating challenges. I would also like to thank our shareholders, clients and business partners for their unwavering trust and support, without which we could not have achieved sustainable growth. We remain steadfast in our pursuit of excellence and are confident of continued development in the years to come.

WONG Kin Yip, Freddie

Chairman

Hong Kong, 30 March 2026

Strategic Review and Planning

Rising through involution, reaping rewards from improving operational efficiency

The Hong Kong property market was robust in 2025. While it remained quite bumpy in the first half, the market turned much more active in the second half. Before the pandemic, such abrupt changes in market activities should have led to hyper-competition. However, thanks to a series of initiatives within the sales management team, the Group recorded an increase in its market share in the Hong Kong residential market and achieved a substantial improvement in front-line sales productivity. These enhancements strengthened the positioning of the Group's sales operation, enabling the Group to capture opportunities as the market continued to improve.

Notably, the Group managed to boost operational efficiency. The existing top management team has a strong understanding of the core concerns facing sales operations, proactively listened to the feedback of front-line staff and responded promptly. The Group also devised a range of initiatives including technological empowerment, communication strengthening, and effective information dissemination to facilitate the sales team in closing property deals. The Group's Mainland operations also benefited from the reengineering efforts and remained profitable amid the challenging environment.

Leading the industry with forward-thinking innovation

The founding principle of the Group – “Lead the industry with forward-thinking innovation” is implanted in every staff's DNA, and therefore the Group is quick to devise new business initiatives. Over the past decades, the Group has introduced several changes. Additionally, the Group has carried out technological transformations such as the use of Artificial Intelligence (AI), VR and digital marketing to further hone its competitive edge.

Looking ahead, the Group is set to embrace AI applications in the coming years. In 2025, several AI-enabled functions have been successfully launched by the Group to enhance front-line staff efficiency: (1) AI Content Assistant: An AI-powered tool that assists in drafting content and documents; (2) AI Daily Real Estate Highlights: An AI system that summarizes the key real estate news and market trends of the day; and (3) AI Property News Summary: An AI-generated digest of the latest news and updates on various properties.

To improve customer experience, the search engines on the Group's website and mobile app have been equipped with AI capabilities, enabling them to understand and respond to customer queries with greater accuracy.

Strategic Review and Planning

Although the local residential market is on the path to healthy recovery, the overall business outlook is still precarious. The Group therefore needs to be cautious in monitoring potential challenges such as:

1. **Geopolitical risks:** On the macro front, the shift in the U.S. foreign and trade policies has given rise to many unpredictable business challenges lying ahead. The Group needs to be well-equipped to deal with possible geopolitical disruptions which may have a huge impact on buyers' confidence.
2. **Fierce competition:** According to the data from the Estate Agents Authority, the number of agency branches and licensed agents has stabilized as at the end of 2025. This is an early sign that the multi-year-long contraction of the industry is near an end. As the property market revives, competition of the industry will continue to intensify.
3. **Application of AI:** While the application of AI comes with huge potential for cost savings, it may reshape the industry and intensify competition.

Over the past few decades, the Group has established its distinctive strengths by becoming a leader in staff training, technological innovation, and brand building. Although the US-Iran war may not have directly impacted Hong Kong yet, it has brought a strong dose of uncertainty into the business environment. Facing the ever-changing business landscape, the Group will continue to take a prudent approach to financial resource management, while making strategic investments in talent development, technological innovation, and brand strengthening, to boost overall competitiveness.

The Group will continue to stay ahead of market changes and proactively respond to emerging challenges. By capitalising on the recovery of Hong Kong property market, optimising operational efficiency, enhancing service quality, strengthening client relationships and empowering its staff through innovative technology, the Group is confident that it will reap the rewards of its reengineering efforts, remain at the forefront of the industry, and create long-term value for shareholders, customers, employees and other stakeholders.

WONG Ching Yi, Angela

Deputy Chairman and Managing Director

Hong Kong, 30 March 2026

Profile of Directors



Board of Directors: Front row: Mr. WONG Kin Yip, Freddie
Back row from left to right: Mr. HO Kwan Tat, Ted, Mr. CHAN Nim Leung Leon, Ms. WONG Ching Yi, Angela, Mr. SUN Tak Chiu, Mr. SZE Ka Ming

Executive Directors

Mr. WONG Kin Yip, Freddie

aged 76, is the Founder, Chairman and Executive Director of the Company. He is also a member of the Remuneration Committee and the Nomination Committee of the Company.

Mr. WONG established Midland Realty in 1973 and has been the Chairman of the Company since 1993. He is responsible for the leadership of the Board, formulating and overseeing the overall corporate directions and corporate strategies of the Group, and driving the Board and the individual directors to perform to the best of their ability.

Mr. WONG has over 52 years of experience in the real estate agency business in Hong Kong, China and overseas. He is a pioneer in the mortgage brokerage business and introduced mortgage referral services to Hong Kong. Mr. WONG is also the Chairman and Executive Director of Legend Upstar Holdings Limited (the "Legend Upstar") (the shares of which were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and were withdrawn from listing on 30 March 2026). Mr. WONG is the Honorary Adviser of The Association of Hong Kong Professionals, and the chairman and permanent director of Midland Charitable Foundation Limited. In addition, Mr. WONG was a member of The Shenzhen Committee of the Chinese People's Political Consultative Conference, a member of the Estate Agents Authority in Hong Kong, a part-time member of the Central Policy Unit of the Government of the Hong Kong Special Administrative Region, and a vice president of The Association of Hong Kong Professionals.

Mr. WONG is also a director of various members of the Group. He is a director of Sunluck Services Limited and Southern Field Trading Limited which are substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He is the father of Ms. WONG Ching Yi, Angela, the Deputy Chairman, Managing Director and Executive Director of the Company.

Profile of Directors

Ms. WONG Ching Yi, Angela

aged 45, has been an Executive Director of the Company since 2008 and was appointed as the Deputy Chairman and the Managing Director of the Company since 2011 and 2014 respectively. Ms. WONG joined the Group in 2005. She is also a member of the Remuneration Committee, the Nomination Committee and the Chairman's Office of the Company, and the chairman of the Risk Committee of the Company.

Ms. WONG is responsible for formulation and implementation of strategic directions and planning of the business units and the Group and delivery of the performance of the Group with the support of the other Executive Directors, the executive teams and the business units heads of the Group. She attends to the enhancement of the Group's corporate governance practices and procedures. She works with the Board to develop strategic initiatives to drive the Group forward, and assists the Board in the performance evaluation of the other Executive Directors, the executive teams and the business units heads of the Group.

Ms. WONG is also a director of various members of the Group and a director of mReferral Corporation Limited, a joint venture company of the Group with a leading developer. She is a director and the president of Midland Charitable Foundation Limited. Ms. WONG is also an Executive Director of Legend Upstar (the shares of which were listed on the Main Board of the Stock Exchange and were withdrawn from listing on 30 March 2026).

Ms. WONG is a fellow member of the Hong Kong Institute of Certified Public Accountants. She obtained a bachelor's degree in Business Administration (Accounting and Finance) from The University of Hong Kong and a Master of Business Administration degree from the HKUST Business School. She is the vice chairman of the Executive Committee of The Association of Hong Kong Professionals.

Ms. WONG is the daughter of Mr. WONG Kin Yip, Freddie, the Chairman, Executive Director and controlling shareholder of the Company.

Mr. SZE Ka Ming

aged 52, has been an Executive Director of the Company since December 2023. He is also the Chief Financial Officer and a member of the Risk Committee of the Company. He joined the Group in November 2012. Mr. SZE is responsible for the finance, human resources and administration functions of the Group, and assists in the formulation of the business strategies and the operation and performance of the Group. He has over 29 years of professional experience in auditing, accounting and finance, and over 22 years of solid experience in the real estate industry. Mr. SZE is a director of various members of the Group and a director of mReferral Corporation Limited (a joint venture company of the Group with a leading developer). Mr. SZE is also the Chief Financial Officer of Legend Upstar (the shares of which were listed on the Main Board of the Stock Exchange and were withdrawn from listing on 30 March 2026).

Mr. SZE is a member of the Hong Kong Institute of Certified Public Accountants. He obtained a bachelor's degree in professional accountancy from The Hong Kong Polytechnic University. Prior to joining the Group, Mr. SZE last served as the financial controller of Lai Sun Development Company Limited and as the deputy financial controller of Lai Sun Garment (International) Limited (both companies listed on the Main Board of the Stock Exchange) and had held various positions throughout his tenure of service for over 8 years in the said group companies.

Profile of Directors

Independent Non-Executive Directors

Mr. HO Kwan Tat, Ted

aged 61, has been an Independent Non-Executive Director, the chairman of the Audit Committee and the Nomination Committee, and a member of the Remuneration Committee of the Company since June 2017. Mr. HO is a practising Certified Public Accountant in Hong Kong and is a partner of World Link CPA Limited. He is a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He has extensive experience in audit and taxation.

Mr. HO was an Independent Non-Executive Director of two companies listed on the Main Board of the Stock Exchange, namely, Legend Upstar (the shares of which were withdrawn from listing on 30 March 2026) from December 2007 to June 2023 and SunCorp Technologies Limited from March 2008 to May 2012.

Mr. SUN Tak Chiu

aged 62, has been an Independent Non-Executive Director of the Company since September 2004. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company. Mr. SUN has over 39 years of experience in the fields of accounting, securities industries and corporate finance. Mr. SUN holds a bachelor's degree in law and a master's degree in business administration. He is a fellow member of the Hong Kong Institute of Certified Public Accountants as well as the Association of Chartered Certified Accountants, and a member of the Hong Kong Securities and Investment Institute.

Mr. CHAN Nim Leung Leon

aged 70, has been an Independent Non-Executive Director and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company since December 2023. He was an Independent Non-Executive Director of the Company from November 2012 to November 2016. He is a practicing lawyer and presently the principal partner of Messrs. Y.T. Chan & Co. He was admitted as a solicitor of the Supreme Court of Hong Kong in 1980 and was also admitted as a solicitor in England and Wales in 1984 and in Victoria, Australia in 1985. He was a member of the Solicitors Disciplinary Tribunal Panel from May 1993 to May 2008. He is currently a non-executive director of two companies listed on the Main Board of the Stock Exchange, namely Hongkong Chinese Limited and Lippo China Resources Limited. He was a non-executive director of Lippo Limited, the shares of which were listed on the Main Board of the Stock Exchange and were withdrawn from listing on 25 September 2025.

Corporate Governance Report

The board (the “Board”) of the directors of the Company (collectively the “Directors”, each a “Director”) recognises that sound and effective corporate governance practices and procedures, with an emphasis on integrity, transparency, accountability and independence, are essential to enhance the shareholders’ value and safeguard the shareholders’ interest. The Company is committed to maintaining a good corporate governance standard and endeavors to ensure that its businesses are conducted in accordance with all applicable rules and regulations.

Corporate Governance Practices

The Company has complied with all the applicable code provisions that were in force as set out in the Corporate Governance Code (the “Code”) stated in Appendix C1 to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the year ended 31 December 2025.

Board of Directors

(i) Board Responsibilities and Delegation

The Board is responsible for the management of the Company, which includes, inter alia, formulating business strategies, directing and supervising the Company’s affairs, approving interim and annual reports, announcements of interim and annual results, considering dividend policy, and approving the grant of share options or any change in the capital structure or notifiable transactions of the Company. The Board makes broad policy decisions and has delegated the responsibility for detailed considerations to the Executive Committee of the Company.

The daily management, administration and operation of the Group are delegated to the management of the Company. The Board gives clear directions to the management as to its powers and circumstances in which the management shall report to the Board.

All the Directors have full and timely access to all relevant information and have access to the advice and services of the Company Secretary of the Company, with a view to ensuring that all proper Board procedures, applicable rules and regulations are followed.

The Company recognises the importance of Board independence in upholding good corporate governance and has in place a written mechanism for ensuring independent views and input are available to the Board. Such mechanism aims to ensure that the Directors may seek independent legal, financial or other professional advice from advisors independent of those advising the Company as and when necessary in appropriate circumstances so as to enable them to discharge their responsibilities, either on the Company’s affairs or in respect of their fiduciary duties or other duties, at the Company’s expense. The Company has established channels through formal and informal means whereby Independent Non-Executive Directors could express their views in an open, candid and confidential manner, should circumstances require. These include dedicated meeting sessions between the Chairman of the Board and the Independent Non-Executive Directors, and interaction between management and other Board members including the Chairman of the Board outside the boardroom. The Board has reviewed and is satisfied with the implementation and effectiveness of such mechanism.

The Company has arranged appropriate liability insurance to indemnify the Directors for their liabilities arising out of corporate activities. The insurance coverage is reviewed regularly.

Corporate Governance Report

Board of Directors (Continued)**(ii) Board Composition**

The Board comprised six Directors with three Executive Directors and three Independent Non-Executive Directors as at the date of this Annual Report as follows:

Executive Directors

Mr. WONG Kin Yip, Freddie (*Chairman*)

Ms. WONG Ching Yi, Angela (*Deputy Chairman and Managing Director*)

Mr. SZE Ka Ming (*Chief Financial Officer*)

Independent Non-Executive Directors

Mr. HO Kwan Tat, Ted

Mr. SUN Tak Chiu

Mr. CHAN Nim Leung Leon

Save and except Mr. WONG Kin Yip, Freddie is the father of Ms. WONG Ching Yi, Angela, none of the members of the Board are related to one another. The biographical details of the Directors are set out in the section "Profile of Directors" on pages 14 to 16 of this Annual Report.

Taking into account the knowledge, expertise and experience of the Directors, the Board considers that the Directors have balanced skills, experience and diversity of perspectives appropriate to the business and development of the Group.

(iii) Chairman and Chief Executive Officer

The roles of Chairman and Managing Director of the Company are separated.

Mr. WONG Kin Yip, Freddie is the Chairman of the Company and is also the founder of the Group. The Chairman of the Company is responsible for the leadership of the Board, formulating and overseeing the overall corporate directions and corporate strategies of the Group, and driving the Board and the individual directors to perform to the best of their ability.

Ms. WONG Ching Yi, Angela is the Managing Director of the Company. The Managing Director of the Company carries out the function of chief executive officer of the Company and the role and responsibilities are set out on page 15 of this Annual Report. The Managing Director reports directly to the Board. The senior executives of the respective strategic business units of the Group are responsible for performing and overseeing the business operation of their business units.

(iv) Board Meetings and Directors' Attendance

During the year ended 31 December 2025, the Board held five meetings to discuss and approve, inter alia, the interim and annual results and other significant issues of the Group. At least 14 days' notice of regular Board meetings is given to the Directors who are given the opportunity to include other matters in the agenda of meetings. Individual attendance records of each of the Directors at the respective meetings of the Board and Board committees and general meetings are set out on page 24 of this Annual Report.

Board of Directors (Continued)

(v) Non-Executive Directors

The current Independent Non-Executive Directors, namely Mr. HO Kwan Tat, Ted, Mr. SUN Tak Chiu and Mr. CHAN Nim Leung Leon, have been appointed for a specific term of one and a half years, one year, and one year respectively. They are subject to retirement by rotation and shall be eligible for re-election at the Company's annual general meeting at least once every three years in accordance with the bye-laws of the Company.

Throughout the year ended 31 December 2025 and up to the date of this Annual Report, the Board has at all times met the requirements under Rule 3.10 of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise and the requirements under Rule 3.10A of the Listing Rules relating to the appointment of the independent non-executive directors representing at least one-third of the board. The Board has received from each Independent Non-Executive Director an annual written confirmation of his independence and considered that all the Independent Non-Executive Directors are independent in accordance with Rule 3.13 of the Listing Rules.

(vi) Nomination, Appointment and Re-election of Directors

All new appointment of Directors and nomination of Directors proposed for re-election at the annual general meeting are first considered by the Nomination Committee in accordance with the nomination policy of the Company. The Nomination Committee will assess the candidate or incumbent on criteria such as experience, skills, knowledge and time commitment to carry out the duties and responsibilities of Director. The recommendations of the Nomination Committee will then be put to the Board for decision. Details of the role and function as well as a summary of the work performed by the Nomination Committee are set out under the heading of "Nomination Committee" below.

In accordance with the Company's bye-laws, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation but are eligible for re-election by shareholders at the annual general meeting provided that every Director is subject to retirement by rotation at least once every three years. If an Independent Non-Executive Director has served more than nine years, his further appointment should be subject to a separate resolution to be approved by the shareholders of the Company. All Directors appointed to fill a casual vacancy or as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting and shall not be taken into account in determining which particular Directors are to retire by rotation.

Corporate Governance Report

Board of Directors (Continued)**(vii) Directors' Training**

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company would provide a comprehensive induction package comprising a summary of the responsibilities and liabilities of a director of a Hong Kong listed company, the Company's constitutional documents and a publication entitled "A Guide on Directors' Duties" issued by the Companies Registry to each newly appointed Director to ensure that he/she is sufficiently aware of his/her responsibilities and obligations under the Listing Rules and other regulatory requirements.

The Company Secretarial Department of the Company reports from time to time the latest changes and development of the Listing Rules, corporate governance practices and other regulatory regime to the Directors and may provide them with written materials, where appropriate, as well as organises seminars on the professional knowledge and latest development of regulatory requirements related to director's duties and responsibilities.

During the year, the Directors attended a seminar and received reading materials covering environmental, social and governance ("ESG") reporting, corporate governance and regulatory development. A summary of the record of training received by the Directors during the year is as follows:

Directors	Training on ESG Reporting, corporate governance, regulatory development and/or other relevant topics
Executive Directors	
Mr. WONG Kin Yip, Freddie	✓
Ms. WONG Ching Yi, Angela	✓
Mr. SZE Ka Ming	✓
Independent Non-Executive Directors	
Mr. HO Kwan Tat, Ted	✓
Mr. SUN Tak Chiu	✓
Mr. CHAN Nim Leung Leon	✓

Board Committees

The Board has established Board committees, including the Executive Committee, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Risk Committee, for overseeing the respective aspects of the Group's affairs.

The Board committees are provided with sufficient resources to perform their duties and, upon reasonable request, are able to seek independent professional advice at the Company's expense in appropriate circumstances.

(i) Executive Committee

The Executive Committee was established on 21 September 1999. The Executive Committee has the authority delegated by the Board to approve matters relating to the daily operations and management and business affairs of the Group, and also the approval of certain corporate actions of the Company. The Board reserves the power to make broad policy decisions and approve important corporate actions. As at the date of this Annual Report, the Executive Committee comprises three Executive Directors as members, namely Mr. WONG Kin Yip, Freddie, Ms. WONG Ching Yi, Angela and Mr. SZE Ka Ming.

Corporate Governance Report

Board Committees (Continued)

(ii) Audit Committee

The Audit Committee was established on 4 August 1998. The written terms of reference of the Audit Committee are published on the websites of the Company and the Stock Exchange. The Audit Committee is chaired by Mr. HO Kwan Tat, Ted, being an Independent Non-Executive Director, with two other members, namely Mr. SUN Tak Chiu and Mr. CHAN Nim Leung Leon, as at the date of this Annual Report. All Audit Committee members are Independent Non-Executive Directors. In compliance with Rule 3.10(2) of the Listing Rules, two of the members of the Audit Committee possess the appropriate professional qualifications or accounting or related financial management expertise.

The Audit Committee held two meetings in 2025. During the year, the Audit Committee reviewed the interim and annual reports with relevant announcements and financial statements, considered the report from PricewaterhouseCoopers on the annual audit of the financial statements, reviewed the audit strategy, work scope, quality, fees and terms of engagement for audit and non-audit services from the external auditor and assessed its independence, recommended to the Board the re-appointment of PricewaterhouseCoopers as the auditor based on its review and assessment, reviewed the internal audit report and the report on risk management and monitored the implementation of the recommended actions as well as the effectiveness of the internal control and risk management systems, approved the internal audit plan, and reviewed the continuing connected transactions and the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions as well as those relating to the environmental, social and governance of the Group. External auditor of the Company was invited to attend and discuss at the Audit Committee meetings. There was no disagreement between the Board and the Audit Committee regarding the re-appointment of the external auditor of the Company.

The principal role and responsibilities of the Audit Committee include:

- reviewing the Group's interim and annual financial statements and the interim and annual reports before submission to the Board for approval;
- reviewing the financial reporting obligations and considering any matters raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or auditor;
- reviewing and monitoring the independence and objectivity of the external auditor, and the effectiveness of the audit process in accordance with applicable standards;
- approving the remuneration and terms of engagement of the external auditor and making recommendation to the Board on the appointment, re-appointment and removal of the external auditor;
- reviewing the internal audit programme and ensuring the internal audit function is adequately resourced and effective, and considering any major findings on risk management and internal control matters; and
- reviewing the financial controls and internal control systems of the Group and ensuring the management has discharged its duty to have effective risk management and internal control systems, in particular, the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting functions.

For the year ended 31 December 2025, the Company had in place arrangement for stakeholders of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters and the whistleblowing policy.

Corporate Governance Report

Board Committees (Continued)**(iii) Remuneration Committee**

The Remuneration Committee was established on 10 March 2005 with written terms of reference published on the websites of the Company and the Stock Exchange. The Remuneration Committee is chaired by Mr. SUN Tak Chiu, being an Independent Non-Executive Director, with four other members, namely Mr. WONG Kin Yip, Freddie, Ms. WONG Ching Yi, Angela, Mr. HO Kwan Tat, Ted and Mr. CHAN Nim Leung Leon, as at the date of this Annual Report. Majority of the Remuneration Committee members are Independent Non-Executive Directors.

The Remuneration Committee held one meeting in 2025. During the year, the Remuneration Committee reviewed and recommended the remuneration of the Directors to the Board for approval, and reviewed the Group's overall remuneration. The principal role and responsibilities of the Remuneration Committee include reviewing and recommending the remuneration packages of individual Executive Directors and senior management of the Company and recommending the remuneration of the Non-Executive Directors (including Independent Non-Executive Directors) to the Board for approval, and reviewing the remuneration policy for Directors from time to time.

There was no matter relating to the share scheme of the Company that was reviewed and/or recommended to the Board by the Remuneration Committee during the year ended 31 December 2025.

The remuneration of the members of the senior management, being the Executive Directors, by band for the year ended 31 December 2025 is set out below:

Remuneration bands	Number of individuals
HK\$500,001 – HK\$1,000,000	1
HK\$9,500,001 – HK\$10,000,000	1
HK\$10,000,001 – HK\$10,500,000	1
HK\$31,500,001 – HK\$32,000,000	1

Details of Directors' emoluments and other remuneration related matters and five highest paid individuals during the year are set out in note 10 to the consolidated financial statements on pages 124 to 127 of this Annual Report.

Corporate Governance Report

Board Committees (Continued)

(iv) Nomination Committee

The Nomination Committee was established on 10 March 2005 with written terms of reference published on the websites of the Company and the Stock Exchange. The Nomination Committee is chaired by Mr. HO Kwan Tat, Ted, being an Independent Non-Executive Director, with four other members, namely Mr. WONG Kin Yip, Freddie, Ms. WONG Ching Yi, Angela, Mr. SUN Tak Chiu and Mr. CHAN Nim Leung Leon, as at the date of this Annual Report. Majority of the Nomination Committee members are Independent Non-Executive Directors.

The Nomination Committee held one meeting in 2025. During the year, the Nomination Committee assessed the independence of the Independent Non-Executive Directors, reviewed the structure, size and composition of the Board, made recommendation to the Board on the re-election of the retiring Directors, reviewed the implementation and effectiveness of the board diversity policy, and made recommendation to the Board for approval on the renewal of terms of appointment of Directors.

The principal role and responsibilities of the Nomination Committee include formulating and reviewing the nomination policy, making recommendations to the Board on the nomination, appointment and re-appointment of Directors and Board succession, assessing the independence of the Independent Non-Executive Directors and making recommendations to the shareholders on Directors' standing for re-election, and supporting the Company's regular evaluation of the Board's performance. In order to achieve a balanced and appropriately qualified Board, the Nomination Committee is also responsible for reviewing the structure, size and composition, including the skills, knowledge, diversity and experience, of the Board, assisting the Board in maintaining a Board skills matrix, and advising the Board as to any changes that may be required. The Nomination Committee has the authority given by the Board to seek external professional advice in the selection and recommendation for directorship, if necessary, to fulfil the requirements for professional knowledge and industry experience of any proposed candidates.

The Company has adopted a nomination policy which sets out the nomination procedures and process and selection criteria when the Nomination Committee considers candidates to be appointed or re-elected as Directors. The nomination procedures include identification of desirable candidates by the Nomination Committee, and review and approval of such nominations by the Board. The Nomination Committee shall consider the following criteria in evaluating and selecting candidates for directorship: character and integrity; qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy; willingness to devote adequate time to discharge duties as a member of the Board; the Company's board diversity policy and any measurable objectives adopted for achieving diversity on the Board; requirement for the Board to have independent Directors in accordance with the Listing Rules; and such other perspectives appropriate to the Company's business or as suggested by the Board.

The Company recognises and embraces the benefits of having a diverse Board, and sees diversity at Board level as an essential element in maintaining a competitive advantage. As such, the Company adopted a board diversity policy in August 2013 and revised in December 2022. A diverse Board will include differences in talents, skills, knowledge, regional, industry and professional experience, cultural and educational background, race, age, gender and other qualities of the members of the Board. Selection of candidates is based on a range of diversity perspectives and the Company's nomination policy. The ultimate decision is based on merit and contribution which would be brought by the candidates to the Board if he/she were selected as a Director. The Company maintained, and is committed to maintaining, a gender diversity with at least one female representative at Board level. During the year, the Company has met the requirement to have directors of different genders on the Board. As at the date of this Annual Report, the Company has five male directors and one female director. The Nomination Committee is of the view that the current composition of the Board has achieved the objectives set in the board diversity policy. The Board is satisfied with the review on the implementation and effectiveness of the board diversity policy.

Details on the gender ratio in the workforce (including senior management) of the Group, together with relevant data, are set out in the section "Environmental, Social and Governance Report" on page 36 of this Annual Report. The Company will continue to monitor and evaluate the diversity policy from time to time to ensure its continued effectiveness.

Corporate Governance Report

Board Committees (Continued)

(v) Risk Committee

The Risk Committee was established on 1 January 2016 with written terms of reference published on the website of the Company. As at the date of this Annual Report, the Risk Committee was chaired by Ms. WONG Ching Yi, Angela, being the Deputy Chairman, the Managing Director and Executive Director of the Company, with three other members, being Mr. SZE Ka Ming (an Executive Director and the Chief Financial Officer), the Chief Legal Counsel and the head of the Internal Audit Department.

The Risk Committee held two meetings in 2025. During the year, the Risk Committee received reports on the results of the review of the risk management system and framework, discussed the measures to manage those identified risks which may have significant impact to the Group, and reviewed the effectiveness of the risk management system and framework.

The principal role and responsibilities of the Risk Committee include reviewing the Group's risk management system and framework, advising the Board on the current risk exposures of the Group and future risk strategies and considering emerging risks relating to the Group's business and strategies.

Attendance Records at the Meetings of the Board and Board Committees and General Meetings

The attendance records of the individual Directors at the meetings of the Board, the Audit Committee, the Remuneration Committee, the Nomination Committee, the Risk Committee and the general meetings for the year ended 31 December 2025 are set out as follows:

Directors	Number of Meetings Attended/Eligible to Attend						
	Board	Audit Committee	Remuneration Committee	Nomination Committee	Risk Committee (Note 1)	Annual General Meeting	Special General Meeting
Executive Directors							
Mr. WONG Kin Yip, Freddie (Chairman)	5/5	N/A	1/1	1/1	N/A	1/1	1/1
Ms. WONG Ching Yi, Angela (Note 2) (Deputy Chairman and Managing Director)	5/5	N/A	1/1	1/1	1/1	1/1	1/1
Mr. SZE Ka Ming (Chief Financial Officer)	5/5	N/A	N/A	N/A	2/2	1/1	1/1
Mr. WONG Tsz Wa, Pierre (Note 3)	0/1	N/A	N/A	N/A	1/1	N/A	N/A
Independent Non-Executive Directors							
Mr. HO Kwan Tat, Ted	5/5	2/2	1/1	1/1	N/A	1/1	1/1
Mr. SUN Tak Chiu	5/5	2/2	1/1	1/1	N/A	1/1	1/1
Mr. CHAN Nim Leung Leon	5/5	2/2	1/1	1/1	N/A	1/1	1/1

Notes:

- Other members of the Risk Committee are not Directors.
- Ms. WONG Ching Yi, Angela has been appointed as the chairman of the Risk Committee with effect from 1 April 2025.
- Mr. WONG Tsz Wa, Pierre resigned as an Executive Director, the Managing Director and the chairman of the Risk Committee with effect from 1 April 2025.

Corporate Governance Report

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 C3 to the Listing Rules.

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 at all applicable times during the year ended 31 December 2025.

Directors’ Interests

Details of Directors’ interests in the shares, underlying shares and debentures of the Company and its associated corporations are set out in the “Report of the Directors” on page 75 of this Annual Report.

Directors’ Responsibility for the Financial Statements

The Directors acknowledged their responsibility for preparation of consolidated financial statements which give a true and fair view of the Group’s state of affairs as at 31 December 2025 and of the Group’s results and cash flows for the year ended 31 December 2025. In preparing the consolidated financial statements for the year ended 31 December 2025, the Directors selected suitable accounting policies and applied them consistently, and made judgments and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis.

The reporting responsibilities of the Company’s independent auditor on the consolidated financial statements of the Group for the year ended 31 December 2025 are set out in the “Independent Auditor’s Report” on pages 85 to 89 of this Annual Report.

Corporate Governance Function

In order to achieve enhanced corporate governance of the Company, the Board has undertaken and delegated to the Executive Committee to constantly review the Company’s policies (including the board diversity policy, mechanism to ensure independent view and input are available to the Board and the shareholders communication policy) and practices on corporate governance, the training and continuous professional development of Directors and senior management, the Company’s policies and practices on compliance with legal and regulatory requirements, the code of conduct and compliance manual applicable to employees and the Directors, and the Company’s compliance with the Code and disclosure in this Corporate Governance Report. During the year, the Executive Committee performed the duties relating to corporate governance matters as aforementioned.

Corporate Governance Report

Auditor's Remuneration

The remuneration payable or paid to the Group's independent external auditor, PricewaterhouseCoopers, in respect of audit and non-audit services provided to the Group is set out as follows:

	Fees payable or paid 2025 HK\$'000
Services rendered for the Group	
Audit services	2,680
Other non-audit services (tax and other professional services)	192
Total fees	<u>2,872</u>

Save as the audit services disclosed above, the auditor's remuneration set out in note 11 to the consolidated financial statements also included the remuneration payable or paid to other independent external auditors for issuing audited financial statements of the subsidiaries of the Company.

Risk Management and Internal Controls

The Board has overall responsibilities for maintaining effective risk management and internal control systems of the Group and determining the nature and extent of the risks it is willing to take in achieving the Group's objectives, and such systems are designed to manage rather than eliminate those risks, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Risk Committee assists the Board in deciding the Group's risk level and risk appetite, considering the Group's risk management strategies and giving guidelines where appropriate, and ensuring the soundness and effectiveness of the Group's risk management system. The risk management process involves identification, analysis, evaluation, mitigation, reporting and monitoring of risks.

The Group's internal control system comprises, among others, a well-defined governance structure with clearly defined lines of responsibility and authority and relevant financial, operational and compliance controls, and risk management procedures are in place. The Executive Directors review monthly management reports and hold periodical meetings with senior operational and finance management to discuss business performance and market outlooks.

The Internal Audit Department of the Company reports directly to the Audit Committee and is independent of the Company's daily operation. It is responsible for conducting regular audit on the major activities of the Group. Its objective is to ensure that all material controls, including financial, operational and compliance controls and risk management functions are in place and functioning effectively.

Corporate Governance Report

Risk Management and Internal Controls (Continued)

The risks which may have significant impact to the Group were identified from internal and external environments and were managed properly. An annual review of the internal control and risk management systems of the Group for the year ended 31 December 2025 was conducted, and report on the results of the review and opinion were submitted to the Audit Committee and the Risk Committee. The Audit Committee and the Risk Committee reviewed the reports and followed up on the implementation of the action plan, and reported to the Board.

Based on the reports from the Audit Committee and the Risk Committee, the Board is satisfied with the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2025 as well as the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions, as well as those relating to the Group's ESG performance and reporting.

Inside Information

The Company has established the Inside Information Team to identify, assess and escalate potentially inside information for the attention of the Board and monitor the Group's disclosure obligations in respect of inside information. Policy and Procedures on Disclosure of Inside Information are adopted which set out the guidelines and controls to ensure the inside information can be disseminated to the public in equal and timely manner in accordance with the applicable laws and regulations.

Company Secretary

The Company engages an external service provider to provide company secretarial services and has appointed Ms. MUI Ngar May, Joel ("Ms. MUI") as its Company Secretary. Ms. MUI is not an employee of the Group and Mr. SZE Ka Ming, an Executive Director and the Chief Financial Officer of the Company, is the person whom Ms. MUI can contact for the purpose of code provision C.6.1 of the Code. Ms. MUI undertook over 15 hours of professional training during the year.

Communication with Shareholders and Investor Relations

The Company is committed to ensuring that the Group comply with disclosure obligations under the Listing Rules and other applicable laws and regulations, and that shareholders of the Company and other stakeholders (including potential investors) are provided with balanced and relevant information about the Company. The shareholders' communication policy of the Company is reviewed by the Board annually. It aims to promote effective communication with the shareholders and other stakeholders of the Company, encourage shareholders to engage actively with the Company, and enable shareholders to exercise their rights as shareholders effectively.

The Company shall publish its corporate communication which includes annual and interim reports, circulars, announcements and other documents, on the Stock Exchange's designated website in a timely manner as required by the Listing Rules. To foster effective communications with shareholders and investors, the Company maintains a website at www.midland.com.hk where any information or documents of the Company posted on the Stock Exchange's designated website shall also be published on the Company's website. Other corporate information of the Company is also available on the Company's website.

Corporate Governance Report**Communication with Shareholders and Investor Relations (Continued)**

The Company provides an opportunity for its shareholders to seek clarification and to obtain a better understanding of the Group's performance in the general meetings of the Company. The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its shareholders. Shareholders are encouraged to participate in general meetings or to appoint proxies to attend, speak and vote at the meetings for and on their behalf if they are unable to attend the meetings. The Chairman of the Board, other Board members, the chairmen of the Board committees and/or their delegates attend the annual general meeting and special general meeting (if any) to answer shareholders' questions. The external auditor of the Company is also required to attend the annual general meeting to answer questions about the conduct of audit, the preparation and content of the auditor's report, the accounting policies and auditor independence. The Company shall provide shareholders with relevant information on the resolution(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable shareholders to make an informed decision on the proposed resolution(s). At the general meeting, each substantial issue will be considered by a separate resolution, including the re-election of individual retiring Directors, and the poll procedures will be clearly explained.

Pursuant to the Listing Rules, voting by poll is mandatory on all resolutions (except resolutions relate purely to procedural or administrative matters) put forward at general meetings and the poll results will be posted on the websites of the Stock Exchange and the Company. The Company would ensure that shareholders will be given sufficient notice of the general meetings, at least 21 clear days' notice in the case of an annual general meeting and any special general meeting at which the passing of a special resolution is to be considered and at least 14 clear days' notice in the case of all other special general meetings in accordance with the bye-laws of the Company.

The 2025 annual general meeting of the Company was held on 6 June 2025. At the meeting, separate resolution was proposed by the chairman of the meeting in respect of each separate issue, including the re-election of individual retiring Directors, and voted by way of poll. The Company announced the results of the poll in the manner prescribed under the Listing Rules. The Chairman of the Board and other Board members as well as the representative of PricewaterhouseCoopers attended the 2025 annual general meeting and had effective communication with shareholders of the Company.

The Company has held one special general meeting on 26 June 2025. At the meeting, an ordinary resolution was proposed by the chairman of the meeting to approve the Cross Referral Services Framework Agreement (2025), the transactions and the proposed annual caps contemplated thereunder (details of which were set out in the notice of the meeting and the circular of the Company dated 3 June 2025). The resolution proposed at the above meeting was voted by way of poll by the independent shareholders of the Company. The Company announced the poll results in the manner prescribed under the Listing Rules. The Chairman of the Board and all Board members attended the aforementioned meeting and had effective communication with shareholders of the Company.

Having considered the multiple channels of communication and engagement in place, the Board conducted a review of the implementation and effectiveness of the shareholders' communication policy and is satisfied that such policy has been properly implemented during the year and is effective.

During the year, there were no changes to the memorandum of association and bye-laws of the Company.

Shareholders' Rights

(i) Procedures for Shareholders to Convene a Special General Meeting

The Board shall, on the requisition in writing by the shareholder(s) to the Board or the Company Secretary of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, forthwith proceed to convene a special general meeting in accordance with the bye-laws of the Company.

If within twenty-one days of such deposit the Board fails to proceed to convene the special general meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting but any meeting so convened shall not be held after the expiration of three months from the said date.

(ii) Procedures for Putting Forward Proposals at General Meeting

Shareholders can submit a written requisition to move a resolution at general meeting. The number of shareholders shall represent not less than one-twentieth of the total voting rights of all the shareholders having at the date of the requisition a right to vote at the general meeting to which the requisition relates, or shall not be less than one hundred shareholders.

The written requisition must state the resolution, accompanied by a statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at the general meeting. It must also be signed by all the requisitionists and be deposited at the registered office of the Company in Bermuda and Rooms 2505-8, 25th Floor, World-Wide House, 19 Des Voeux Road Central, Hong Kong for the attention of "Company Secretarial Department" not less than six weeks before the general meeting in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition.

The requisitionists must deposit a sum reasonably sufficient to meet the Company's expenses in giving the notice of the resolution and circulating the statement submitted by them under applicable laws and rules.

Provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company in Bermuda and the above-mentioned address in Hong Kong, an annual general meeting is called for a date six weeks or less after the copy has been deposited, the copy though not deposited within the above-mentioned time shall be deemed to have been properly deposited for the purposes thereof.

The procedures for a shareholder of the Company to propose a person for election as a Director is posted on the website of the Company.

(iii) Shareholders' Enquiries

Shareholders should direct their enquiries about their shareholdings to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited. Shareholders and investors may during office hours make a request for the Company's information to the extent that such information is publicly available. Shareholders may also send to the Company written enquiries and their views on various matters affecting the Company for the attention of the Company Secretary or the Investors Relations Department by post at Rooms 2505-8, 25th Floor, World-Wide House, 19 Des Voeux Road Central, Hong Kong or by email at investor@midland.com.hk.

Corporate Social Responsibility Report

Leading public opinion by outlining market trend

Leveraging over half a century of property and market data expertise, the Group continues to play its industry-leading role. Through press conferences, in-depth interviews, feature stories, and real-time market responses, combined with rigorous, accurate analysis, it sets professional benchmarks for property market development, helping the public grasp market pulses and trends. The Group's authoritative data and research are consistently valued by all sectors, widely cited by mainstream Chinese and international media, and adopted by world-class research institutions, which further affirm Midland's pivotal industry position.



Quality property programmes and seminars: practising information education

Guided by the principle of "Understand Before Investing", the Group addresses public demand for property market and wealth management information. In addition to producing extensive property programmes on its own channels, it partners with business organisations to deliver free seminars analysing market trends, assisting clients with informed home-buying decisions, thereby actively fulfilling corporate social responsibility.



Participation in "Standard Chartered Hong Kong Marathon", Underscoring the spirit of "Physically Fit"

The Group prioritises employee physical and mental development, actively promoting diverse health initiatives. To embody its spirit of "Physically Fit", it fully sponsored 20 athletes for the Standard Chartered Hong Kong Marathon, covering full and half marathons, and 10km races, which showcased its team enthusiasm for broad participation. On race day, the support team arrived early at the finish line with energy-boosting drinks and food. Instant cameras captured joyful moments for every finishing colleague, preserving memories of grit and smiles.



Corporate Social Responsibility Report

Caring for Society with Swift Disaster Relief Climbing the “Caring Company” recognition for twenty-two consecutive years

The Group has long championed philanthropy and community giving. Following the fire at Wang Fuk Court, Tai Po, it responded swiftly with immediate donations and a matching gift drive via the Midland Charitable Foundation, doubling every dollar donated by colleagues. Colleagues responded generously, raising around HK\$1.6 million in total for Salvation Army and Caritas Hong Kong to aid affected families, embodying Hong Kong’s mutual aid spirit. The Group’s sustained social responsibility efforts earned the Hong Kong Council of Social Service’s “Caring Company Logo” for the 22nd consecutive year.



Participating in “Heart-to-Heart Charity Walk 2025”, raising HK\$100,000 for children with illnesses

Midland Elite Club supported the Children’s Heart Foundation’s “Heart-to-Heart Charity Walk 2025” for the second consecutive year. With strong member backing, it raised HK\$100,000 to aid children with congenital heart disease and their families, demonstrating the Club’s community care spirit. Held at The Peak, the charity walk followed a scenic 3km route from Harlech Road to Lugard Road. A carnival, stage performances, and various booth games were set up on site, allowing participating families to enjoy their weekend while contributing to charity.



Supporting “Project WeCan”, serving as a guest for the “Young Innovators Bazaar”

As a long-term partner of “Project WeCan”, the Group dispatched representatives as “Young Innovators Bazaar” guests. They first served as keynote speakers at the “Professional Training Workshop”, transforming deep workplace marketing expertise and operational insights into growth nourishment for students – helping them thrive in business. They also attended the closing ceremony, witnessing Hong Kong’s new generation unleash boundless creativity and fighting spirit.



Corporate Social Responsibility Report

Fully supporting the “Henderson Land x Pok Oi Central Harbourfront Charity Run”

The Group has actively fulfils its corporate social responsibility over the years. It fully supported the “Henderson Land x Pok Oi Central Harbourfront Charity Run” through Midland Charitable Foundation donations and elite team participation to aid the “Pok Oi Hospital Tuen Mun Lam Tei Nursing and Residential Care Home for the Elderly” and “Tai Po Fire Rehabilitation and Support Programme”. Ten elites from frontline and back-office teams competed in the “10km Corporate & Group” category, uniting for this charitable cause.



Hosting the “Family Movie Fest in Summer” for the second consecutive year

Guided by the philosophy of “taking from society, giving back to society”, Midland Elite Club actively supports social care initiatives. It partnered again with Emperor Properties and Emperor Foundation to host the “Family Movie Fest in Summer” movie event for the second year. With the support of Against Child Abuse, nearly 100 underprivileged children and parents were invited to enjoy a popular animated film, creating heart-warming moments together.



Winning the Happiness at Work title for ten consecutive years

Staying true to its “people-oriented” principle, Midland cares for its employees and strives to create a joyful and fulfilling workplace. The Group has won the Happiness at Work title organised by the Promoting Happiness Index Foundation for ten consecutive years, and received the Happy Company Logo in recognition of Midland’s commitment to fostering a harmonious and inclusive work culture.



Receiving the “Good Employer Charter” recognition

The Group prioritises talent development and employee-centric practices, earning wide acclaim and the “Good Employer Charter” from the Labour Department. This edition of the Charter, themed “Work-Family Balance, Together Strive for Brilliance”, encourages and recognises employers for supporting employees’ family needs through flexible and diverse family-friendly employment measures. These initiatives help alleviate family caregiving pressures, promote a family-friendly workplace culture and achieve win-win outcomes for employers and employees.



Corporate Social Responsibility Report

“Talent Development Programme” nurturing elites

The Group has always placed great importance on talent cultivation. Upholding the “people-oriented and nurturing talents” philosophy, it is committed to providing structured learning and growth opportunities for employees across different functions. During the year, a series of professional development courses were introduced including the “Elite Trainer Programme”, “PTU Plan” and “Professional Talent Unit (PTU) Programme”. These programmes provided specialised training for different job natures, covering areas such as management, operations and communication skills. The multi-level training programmes were tailored for both frontline and back-office teams to comprehensively enhance their professional capabilities and team effectiveness.



Joining hands with community partners to help secondary school students explore career paths

The Group is committed to nurturing future pillars of society. Partnering with the Tuen Mun District Office, the “Project WeCan” initiative and the Child Development Initiative Alliance (CDIA), the Group offered a unique career exploration experience for secondary students. Through internships and role-playing, participants broadened their horizons and gained first-hand workplace exposure. They joined back-office operations, learning basic job knowledge while strengthening communication and problem-solving skills.



Supporting the “Visiting the Elderly” to spread warmth

Midland’s Elite Club organised the “Visiting the Elderly” community care activity, visiting senior residents at Wo Lok Estate in Kwun Tong. Through conversations and companionship, volunteers brought joy and warmth to the elderly. The participants’ average age was over 80, with the eldest reaching 100. The volunteers were warmly welcomed as the seniors shared memories of their past, youthful stories and treasured family moments. One elderly lady, who impressed everyone with her well-kept complexion, even shared her skincare secrets, filling the room with laughter and a heart-warming atmosphere.



Winning the “Hike for Hospice 2025” 7km Team Race Championship

With outstanding fitness, teamwork and perseverance, Midland Realty’s Elite Team outperformed numerous competitors to win the 7km team race at the annual charity event “Hike for Hospice 2025” organised by the Society for the Promotion of Hospice Care. The team was later invited to the award ceremony to receive commemorative trophies. The seven-kilometre course, with steep slopes and slippery paths, tested both stamina and willpower. Maintaining a steady pace and encouraging one another, the team fully embodied the “3-Fit Spirit” and finished with an impressive performance.



Working together with “Dignity Kitchen” for the “One Person, One Lunchbox” initiative

Members of Midland’s Elite Club teamed up with the social enterprise restaurant “Dignity Kitchen” to prepare and distribute lunchboxes to the underprivileged, including low-income families, the homeless and people with disabilities, bringing warmth and care to the community. The Club also donated books to “Dignity Mama”, under “Dignity Kitchen”, to offer reading resources for those in need while creating job opportunities for mothers of children with disabilities and single mothers. These initiatives reflect the Club’s all-round support for disadvantaged groups, fostering team spirit through charity and spreading positive energy.



Recognition for achievements in environmental protection and energy conservation

The Group attaches great importance to environmental protection and is committed to promoting sustainable development. Its efforts have earned wide recognition, including certification as a Hong Kong Green Organisation and receipt of the Wastewi\$e Certificate (Excellent Level) and Energywi\$e Certificate (Good Level) from the Environmental Campaign Committee, as well as the “ISO 14064-1:2018” Greenhouse Gas Inventory Certificate from the International Organization for Standardization, recognising the Group’s contribution to environmental protection.



Corporate Social Responsibility Report

Receiving the “Partner Employer Award” for eleven consecutive years

Upholding its caring corporate spirit and “nurturing talents” philosophy, Midland actively offers students internships and jobs to build work experience, alongside comprehensive training sessions and courses to enhance their market competitiveness. In recognition of these sustained efforts in talent development, Midland has received the “Partner Employer Award” from The Hong Kong General Chamber of Small and Medium Business for the eleventh consecutive year.



Promoting employee wellbeing and receiving the “SportsHour Company Recognition”

Midland prioritises employee physical and mental health, actively fostering a supportive work environment to achieve work-life balance. For these efforts, it received the “SportsHour Company Recognition” from InspiringHK Sports Foundation, acknowledging Midland’s contributions to the programme.



Serving as keynote speaker at the “Practical Job Seeking Workshop”

The Group actively fulfils its corporate social responsibility by nurturing the next generation of talent. As a partner in the Education Bureau’s “Business-School Partnership Programme”, it was invited to HKCCCU Logos Academy’s pre-employment seminar for the “Practical Job Seeking Workshop”. As keynote speaker, the Group helped students gain insights into industry dynamics and operations, enabling them to map out clearer career paths.



Environmental, Social and Governance Report

About this report

Reporting Standards

The Company is pleased to publish its Environmental, Social and Governance (“ESG”) Report which is prepared in accordance with the Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) set out in Appendix C2 to the Listing Rules.

Reporting Principles

This report is prepared in accordance with the four reporting principles stated in the ESG Reporting Code:

- **Materiality:** Stakeholder engagement and materiality review is conducted to ensure that the ESG issues identified remain relevant and material to our business operations and stakeholders.
- **Quantitative:** Quantitative metrics are collected and regularly monitored to review the progress of our ESG initiatives.
- **Balance:** This report highlights both the achievement and improvement areas of our ESG management to show an unbiased picture of our ESG performance.
- **Consistency:** Consistent methodologies are adopted for meaningful comparison of our ESG performance. Remarks are provided in case of any change in data compilation methodologies and scope.

Reporting Scope and Boundary

Unless otherwise specified, this report covers the period from 1 January 2025 to 31 December 2025. It encapsulates the ESG performance and initiatives of our residential property agency services in Hong Kong, including Midland Realty and Hong Kong Property.

There were no significant changes from the previous reporting year in the reporting scope and boundary of this report.

Feedback Mechanism

We welcome and value the feedback from our stakeholders to continuously improve our ESG management and performance. Please feel free to share your views and thoughts with us at esg@midland.com.hk.

Our ESG Management

ESG Management

As a responsible corporate citizen, the Group recognises the importance of a robust governance structure to ensure our business operations are conducted in an ethical and sustainable manner.

We continue to optimise our corporate governance strategies and policies to increasingly incorporate sustainability considerations in the way we grow and develop. We have established a set of policies to embed ESG management into our daily operations. These policies cover ESG aspects including environmental management, green procurement practice and service responsibility, reinforcing our commitment to integrating ESG factors in our business operations.

Environmental, Social and Governance Report

Our ESG Management (Continued)

Board Statement

The Board acknowledges the significance of effective sustainability practices and is actively integrating ESG considerations into key business decisions. The Board is ultimately responsible for formulating and overseeing our ESG strategy, reporting and management approach to monitor ESG issues.

The Board regularly evaluates and determines our ESG related risks (including climate-related risks) and ensures that appropriate and effective ESG risk management and internal control systems are in place. The Board has regular meetings and discussions on the effectiveness of these systems as well as progress made against relevant ESG-related goals and targets during the reporting year. Management is taking steps to review and monitor the Group's greenhouse gas (GHG) emissions and setting sustainability targets to ensure that we operate our business in an environmentally and socially responsible model while generating strong returns for our shareholders.

ESG Governance

To embed sustainability more systemically across the Group, we have established a sustainability governance structure to coordinate and oversee ESG initiatives in an orderly manner. The Board, as stewards of ESG management of the Group, is ultimately accountable for the performance of ESG-related issues through establishing goals and targets and reviewing the performance on a regular basis. The Board provides oversight of the risk management framework and sustainability strategy in achieving long-term sustainability goals and promoting a sustainable development culture at all levels.

The Board holds overall responsibility for overseeing climate-related risks and opportunities that may affect the Group's strategy, operations and long-term resilience. Climate-related matters are incorporated into the Board's regular risk oversight processes and updates on emerging climate trends, regulatory developments and scenario analysis outcomes are provided to the Board.

During the reporting year, the Company engaged an independent third-party consultant to conduct a climate-related risks and opportunities assessment, including qualitative scenario analysis aligned with Hong Kong Exchanges and Clearing Limited (HKEX) ESG reporting framework and international climate science frameworks. Management coordinated the assessment, evaluated the potential timing and severity of identified risks, and reported key findings to the Board as part of the Group's risk management framework.

Management directly reports to the Board and is responsible for initiating, driving, and monitoring sustainability policies and practices. Management strives to maintain effective communication with the Board to provide constructive recommendations regarding the emerging ESG trend and industrial best practices, improving the Group's resilience in addressing ESG issues. In alignment with the Group's ESG dedication, our management level ensures that sustainability elements are considered when proposing, designing and implementing new protocols and overseeing the implementation process through reviewing policies and gathering feedback from stakeholders.

Environmental, Social and Governance Report

Our ESG Management (Continued)

ESG Governance Structure



Ethical Business Operation

We strive to uphold the highest level of business ethics and strictly prohibit and stand against any form of bribery, extortion, fraud, or corruption in our business operations. The Group adheres to applicable laws and regulations, including the Prevention of Bribery Ordinance (Cap. 201). Internal policies and control mechanisms are in place to strengthen our management practices and prevent improper conduct and unethical behaviour. The Group has communicated our preventive measures on bribery and corruption to our employees, including guidelines regarding the acceptance and offer of advantages. Such anti-corruption materials are also available to the directors. Employees are also required to provide a conflict of interest declaration as one of our preventive measures. Detailed policies and guidance relating to anti-corruption and conflict of interest are stipulated in our Staff Handbook.

The Group is committed to providing frontline and back-office staff with training to ensure a thorough understanding of the code of ethics and regulatory requirements of the property agency industry. We recognise that maintaining high standards of conduct and compliance is critical to sustaining the trust of our customers and other stakeholders. Our training programme is designed to equip our employees with the knowledge and skills necessary to adhere to the standards, maintain our reputation as a trustworthy organisation and benefit our customers. We provide training covering business ethics issues, such as code of ethics, anti-money laundering, discrimination ordinances and protection of personal data. In addition, to enhance employees' awareness on anti-corruption practices, we have arranged training for our frontline and back-office staff. The training course covers topics ranging from understanding anti-corruption laws and regulations to avoiding legal violations in our operation practices.

The Group strictly prohibits all employees, either directly or indirectly, from soliciting or receiving any gifts, rewards, or advantages from any business associates. The Group has established a Whistleblowing Policy and mechanism to allow our employees and stakeholders to raise concerns on any potential business misconduct and malpractice confidentially. The Whistleblowing Team was also set up to handle matters arising from whistleblower reports in an effective manner and further report to the Audit Committee. Depending on the nature and circumstance of the allegation, investigation procedures are followed accordingly.

The Group conforms to the Competition Ordinance (Cap. 619) and supports fair competition with our peer companies. We strictly prohibit our employees from engaging in anti-competitive behaviour, including cartels, market segregation, bid-rigging and output restriction, as stated in the Staff Handbook. We also have guidelines on communication with competitors and customers to avoid involvement in any suspicious anti-competitive behaviour.

During the reporting year, the Group was not aware of any conviction against any member of the Group arising from the violation of laws or regulations against corruption, bribery, fraud, and money laundering, except for three concluded cases where Group employees were convicted of corrupt practices.

Environmental, Social and Governance Report

Our ESG Management (Continued)

Stakeholder Engagement and Materiality Assessment

To better understand our stakeholders' expectations and needs, and to identify material ESG issues, we engaged in ongoing dialogue with both internal and external stakeholders through various channels during the reporting year.

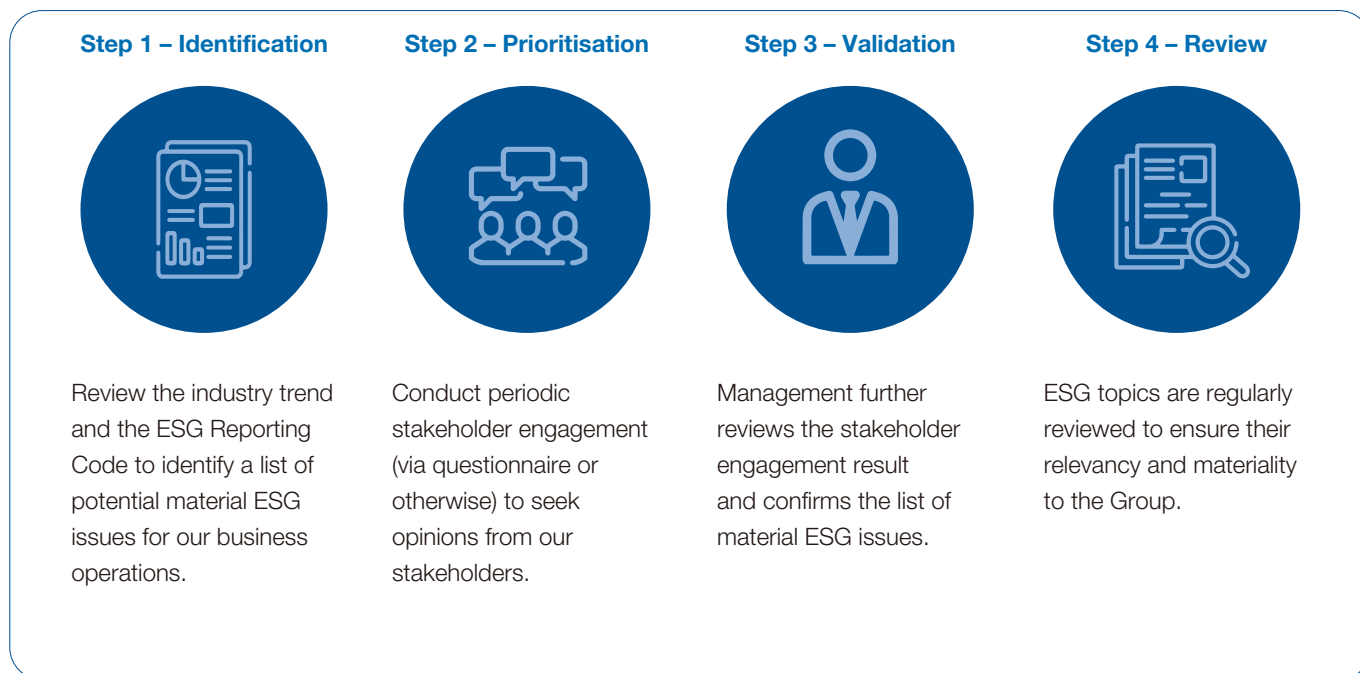
Stakeholder Group	Engagement Channel
Management and Employees	<ul style="list-style-type: none"> • Townhall meeting • Monthly meetings • Intranet forum • Internal circulars • Grievance channels stated in Staff Handbook • Questionnaire
Investors	<ul style="list-style-type: none"> • Annual general meeting • Annual and interim reports • Corporate website • Investor circulars • Questionnaire
Suppliers	<ul style="list-style-type: none"> • Regular supplier review • Meetings
Customers	<ul style="list-style-type: none"> • Social media • Corporate website • Questionnaire • Customer service hotline • Live chat services
Community Partners/ Non-governmental Organisations (NGOs)	<ul style="list-style-type: none"> • Community programme collaboration • Voluntary services • Ad hoc sponsorship projects
Media	<ul style="list-style-type: none"> • Press release • Interview • Press conference • Mobile application for communication • Leisure engagement events

Environmental, Social and Governance Report

Our ESG Management (Continued)

Stakeholder Engagement and Materiality Assessment (Continued)

To effectively manage ESG issues, we cautiously identify, analyse and review the relevance of ESG issues to our business operations and stakeholders on a regular basis. The assessment helps to build the foundation for our ESG strategy and management approach. Through the step-by-step approach below, we identify and review the material ESG issues to our business operations:



Further information about our climate-related risk management is set out in the section headed “Our Climate-related Disclosures” of this report.

According to the stakeholder-based materiality assessment results, we conducted industry research and peer benchmarking during the reporting year to ensure that the list of ESG issues is material and relevant to our business and is in line with the industry’s development and changes in the external environment. During the reporting year, we have reviewed the list of material ESG issues and confirmed that the material ESG issues identified last year remained relevant and applicable to us.

Environmental, Social and Governance Report

Our ESG Management (Continued)

Stakeholder Engagement and Materiality Assessment (Continued)

The following table lists the 16 material ESG issues and their corresponding sections in this report.

List of material issues	Corresponding section in this report
Anti-corruption and Ethical Business Operation	
• Anti-corruption	Ethical Business Operation
• Anti-competition	Ethical Business Operation
• Ethical business compliance	Ethical Business Operation
Product and Service Responsibility	
• Customer service and satisfaction	Product and Service Responsibility; Feedback Handling
• Advertising and labelling	Product and Service Responsibility
• Intellectual property rights	Product and Service Responsibility
• Customer data privacy and protection	Privacy and Data Protection
• Product responsibility compliance	Product and Service Responsibility
Employment and Labour Standards	
• Employee relationship	Employment Policy and Labour Standards
• Non-discrimination and diversity	Employment Policy and Labour Standards
• Occupational health and safety	Occupational Health and Safety
• Training and development	Training and Development
• Employment compliance	Employment Policy and Labour Standards
The Environment	
• Employee environmental awareness	Employee Environmental Awareness
• Environmental compliance	Environmental Management
Our Community	
• Community investment	Our Community

Our Customers

Product and Service Responsibility

The Group's customers mainly consist of property developers, property owners, property purchasers, landlords and tenants. As stipulated in our Product Responsibility Policy, we strive to provide the finest services to our customers in adherence with applicable laws and regulations including the Trade Descriptions Ordinance (Cap. 362), Residential Properties (First-hand Sales) Ordinance (Cap. 621) and Estate Agents Ordinance (Cap. 511). During the reporting year, there were no concluded non-compliance cases with material impact on business, operations and financial positions of the Group relating to the aforementioned laws and regulations. We have a Product Responsibility Policy in place, which clearly stipulates our commitment to promoting customer experience, service reliability, customer health and safety and data privacy.

Through leveraging technological innovations and digital applications, we continuously make use of digital platforms including online live chat, mobile applications and social media to enhance our customers' experience.

Environmental, Social and Governance Report

Our Customers (Continued)

Product and Service Responsibility (Continued)

The Group has scaled up our efforts in digitising our services by launching the “Property Tour with KOL” and “AI.VR Property Visit”, which allow customers to view their ideal properties through property introduction videos and to visualise how the property would look like with different décor styles through the deployment of virtual reality technology.

We have also enhanced the flexibility of our different services through technological innovations to support business continuity. The Group has signed a strategic partnership with a VR service provider, Matterport, Inc. (“Matterport”). With Matterport’s new “digital twin” technology, our customers can view their ideal properties and access room dimensions at any time through interactive 3D virtual tours on our digital platforms. We believe our partnership will accelerate the introduction of leading technology and enhance customers’ online experience.

Moreover, irregular branch inspections are conducted to monitor service quality and identify any potential improvement areas. To provide customers with accurate and complete information, the Group has adopted standardised procedures for advertising and labelling of products and services that align with the regulatory requirements of the target markets. We also strive to protect intellectual property (“IP”) rights by maintaining relevant standards and protocols when producing marketing materials and ensuring that we have the IP rights for the material that we use.

Privacy and Data Protection

We strongly emphasise data privacy protection and adhere to applicable laws and regulations relating to data privacy and protection, including the Personal Data (Privacy) Ordinance (Cap. 486) when handling customer information. To safeguard our customer’s data privacy, we have established the Customer Privacy and Data Protection Policy (the “Policy”) that addresses the handling of our customer’s data which are mainly stored in the form of contractual documents. The Policy is uploaded to the Company’s intranet for staff’s reference. During the reporting year, there were no concluded non-compliance cases with material impact on business, operations and financial positions of the Group relating to the aforementioned laws and regulations.

Guided by the Policy, the Group adopts a wide array of measures to protect the personal data of our customers. Only authorised personnel are granted access to documents with personal information. Frontline staff are required to fill in a record form when they obtain and archive contractual documents for client’s service. Documents containing customers’ personal information are organised and locked in designated locations to avoid information leakage. Sample checking on document storage is conducted annually to ensure that we are compliant with the Policy.

We also have strict control over the disposal of expired contractual documents. We appoint certified recyclers for appropriate handling of the disposed documents on a regular basis. Internal training is provided to our frontline staff to communicate our requirements and raise their awareness on data privacy protection.

Feedback Handling

We endeavour to continuously improve our customer’s experience and satisfaction through communicating with them on a regular basis and listening to their concerns and feedback. The Group has formed a designated customer relationship team to handle customer feedback who are well-trained and skilled in handling customer enquiries and complaints. Customers can lodge their enquiries or complaints through various communication channels, including our customer hotline, email, mail and visitations. Once the complaint is received, the customer relationship team further investigates the feedback and works with relevant departments in a timely manner. A feasible solution is then developed for further discussion and agreement with the complainants. The results and follow-up actions taken are documented accordingly. During the reporting year, 241 service-related complaints were received and handled.

Environmental, Social and Governance Report

Our Employees

Employment Policy and Labour Standards

We believe that our employees are the key to our long-term business success. The Group adheres to the laws and regulations relating to employment and labour standards including the Employment Ordinance (Cap. 57), Employment of Children Regulations (Cap. 57B), Employment of Young Persons (Industry) Regulations (Cap. 57C), Employees' Compensation Ordinance (Cap. 282), Mandatory Provident Fund Schemes Ordinance (Cap. 485), Minimum Wage Ordinance (Cap. 608), Occupational Safety and Health Ordinance (Cap. 509) and the discrimination ordinances¹. During the reporting year, we observed no concluded non-compliance cases with material impact on business, operations and financial positions of the Group regarding the aforementioned laws and regulations.

Beyond legal compliance, our human resources strategy is people-centric, aiming to create a respectful, productive and rewarding working environment for employees. The Group's human resources policies have thus been established to stipulate relevant practices in recruitment, dismissal, promotion, working hours, holidays, equal opportunities and compensation benefits. We also invest in our employees and aim to provide them with rewarding career paths so as to develop a diverse, industry-leading team. Fair recruitment and promotion processes are implemented based on factors such as experience and performance. Moreover, we provided our employees with competitive and rewarding remuneration package.

With businesses that highly depend on people, the Group is committed to embracing diversity as well as providing equal opportunity and a collaborative workplace. The Group strictly enforces an anti-discrimination policy and has zero tolerance for any form of harassment.

The Group endeavours to meet the needs of our employees by listening to their suggestions and feedback. Various platforms and mechanisms are available to facilitate open communication between management and employees. For instance, we have organised a Central Professional Units (CPU) townhall meeting regularly, and arranged a Q&A session for employees to interact with the management and further develop potential solutions in tackling the issues raised. Other communication channels are also available for our employees to voice their opinions, including monthly meetings for frontline and back-office staff of different ranks and positions via electronic means or otherwise. We also put in place internal grievance channels which are outlined in the Staff Handbook.

To foster a harmonious workplace and demonstrate our care for employees, we set up the "Motivational Campaign" to organise regular staff activities and provide additional employees benefits. During the reporting year, the Group organised a variety of events and festive activities for our employees to strengthen their sense of belonging and foster workplace collaboration. We also encourage our employees to participate in various sports events, which can enhance their physical well-being and strengthen team spirit. For instance, we supported our staff to participate in the Standard Chartered Hong Kong Marathon and other charity races/matches to encourage them to live a healthy lifestyle.

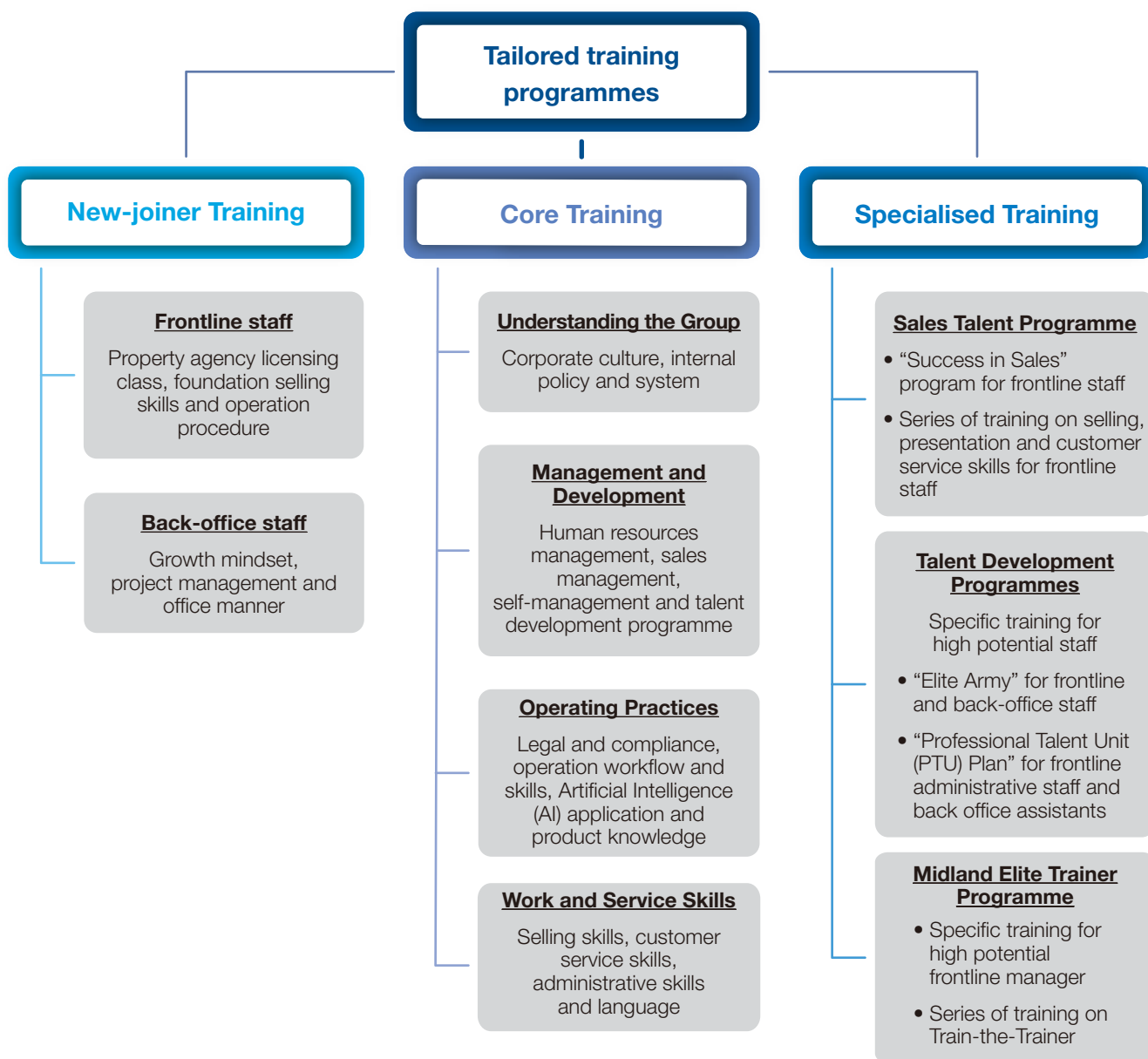
The Group commits to upholding human rights and strictly prohibits the use of child labour and forced labour as stated in our guidelines for employing new hires. In 2025, we did not discover such practices in our operations. If any instance of child or forced labour is identified, the Group will immediately cease the relevant engagement, implement appropriate protective and remedial measures for affected individuals, conduct an investigation with corrective actions to prevent recurrence, and report to authorities where appropriate.

¹ Discrimination ordinances include Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527) and Race Discrimination Ordinance (Cap. 602).

Our Employees (Continued)

Training and Development

As our employees are the Group’s greatest human capital, we make a significant effort to nurture them while also offering opportunities for professional and personal advancement. We set up Midland University to deliver specific training that equip our employees with the skills and knowledge required in carrying out their daily operations. Based on the job nature and the rank of the employees, different training modules are built. For instance, we have tailored training programmes for both frontline and back-office staff respectively.



Environmental, Social and Governance Report

Our Employees (Continued)

Training and Development (Continued)

A digital learning management system was developed to give our employees the flexibility to receive training anytime and anywhere through a computer or electronic device. To facilitate better learning engagement, the system supports bite-sized learning as online courses are divided into shorter clips, which can be digested more effectively. Additionally, the system includes a live broadcasting function, allowing trainers to conduct real-time training sessions, engage with participants and address questions instantly. This feature enhances interactivity and fosters a collaborative learning environment. The system also supports a hybrid mode, enabling a blend of in-person and online training experiences, catering to diverse learning preferences. Overall, this digital learning management system allows the learning process to be easier, more effective, and easily accessible.

Our effort in providing training to frontline staff is also externally recognised. The Group has been granted the accolade of Manpower Developer for more than 10 consecutive years and was acknowledged as a “Super MD” by the Employees Retraining Board. Meanwhile, a total of 161 branches of the Group have obtained the “CPD Mark for Estate Agencies” issued by the Estate Agents Authority in 2025, ranking first among property agency companies. We encourage our employees to enhance their knowledge through keen participation in CPD activities, a total of 44 and 56 branches of the Group have obtained the “Gold CPD Mark for Estate Agencies” and “Silver CPD Mark for Estate Agencies” respectively in 2025.

Apart from internal training programmes, we subsidise our staff to join external training courses, obtain professional certificates and attend examinations. As such, our employees could keep pace with the market benchmark and pursue professional development courses of their choice. This helps encourage employees to pursue new expertise and undertake life-long learning. Moreover, we tailor-made the professional estate agent certification programme for our frontline staff to enhance their capability in conveyancing, tax and mortgage, digital marketing and customer services. Staff who complete the specific series of training courses and fulfil relevant KPIs will be certified as a specialist. Such certifications obtained by our frontline staff are listed on their profiles in our Agent Blog, which provides a platform to exhibit their credentials.

To encourage our staff in search of excellence, we establish a clear career advancement path. Promotion criteria are clearly outlined in our Staff Handbook. The mid-year and annual appraisals are conducted to evaluate the employees’ job performance based on various rating factors, including functional competencies, job quality and skills and behavioural competencies, based on their responsibility and job nature. Employees can discuss with their supervisor regarding the appraisal result and establish targets for the upcoming year. We also prioritise internal promotion of staff when there is a vacancy in a job position based on qualifications, job performance, competency and recommendations from the supervisor or management.

Occupational Health and Safety

The Group cares about employees’ health and safety at work. We conform to the relevant occupational health and safety laws and regulations including the Occupational Safety and Health Ordinance (Cap. 509) and the Factories and Industrial Undertakings Ordinance (Cap. 59) in our operations. During the reporting year, we observed no material non-compliance cases concluded regarding the aforementioned laws and regulations.

The employees of the Group mainly comprise frontline and back-office staff, and various measures are carried out to enhance our employees’ awareness of occupational health and safety issues that may arise from their job nature and working environment. For instance, we have disseminated occupational health and safety information on the Company’s intranet. Information regarding the proper procedures of using various equipment in our offices and branches is provided to further educate our employees and prevent the occurrence of workplace injuries.

We place great emphasis on enhancing the indoor air quality of our branches and offices as it directly affects the health of our employees and the comfort level in the working environment. We have formulated the Indoor Air Quality Policy which includes a set of measures to promote indoor air quality in our workspace. We installed dust filters to reduce suspended particles from entering the ventilation systems. Moreover, we also clean and conduct regular inspection and maintenance of ventilation system equipment including fans, dust filters, ventilation ducts and air hoods.

During the three years ended 31 December 2025, there were no work-related fatality cases.

Environmental, Social and Governance Report

Our Environment

Environmental Management

We recognise our responsibility to minimise the environmental impacts of our operations. The Group strictly adheres to all applicable environmental laws and regulations including the Air Pollution Control Ordinance (Cap. 311), Water Pollution Control Ordinance (Cap. 358) and Waste Disposal Ordinance (Cap. 354). As stipulated in our Environmental Policy, we are committed to better managing our environmental impacts and continuously incorporating environmental considerations into our decision-making process. We strive to protect the environment and lower our carbon footprint by conserving natural resources, reducing energy consumption, minimising and recycling waste, but without compromising the quality of our products and services.

The Group's operations are primarily office-based; therefore, SO_x, NO_x, PM and other air emissions are not applicable and considered immaterial. This is assessed annually through a review of operational activities and emission sources.

During the reporting year, we observed no concluded non-compliance cases with material impact on business, operations and financial positions of the Group regarding air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Waste Management

Waste generation is limited to small amounts of office paper and general municipal waste, with no industrial waste streams. Based on our office-based operations and headcount size, total waste generated is considered insignificant. To further reduce waste disposal, we established clear guidelines on reducing paper consumption and recycling waste paper. Also, we encourage the reuse of single-sided used paper and brown envelopes for the internal circulation of documents. Frontline staff are also encouraged to proactively contact certified recyclers to collect waste paper for recycling. In recognition of our efforts, the Group was granted the Wastewi\$e Certificate (Excellent Level) by the Hong Kong Green Organisation Certification for the reporting year.

Moreover, a wide array of measures is adopted in our daily operations to scale up our waste management efforts. In addition to placing recycling facilities at specified locations to encourage waste sorting, we appoint a designated company for handling paper recycling. We also engage with our suppliers to recycle toner cartridges and encourage them to deliver fluorescent tubes to the designated collection points under the Environmental Protection Department's "Fluorescent Lamp Recycling Programme". A waste management control procedure has been adopted across the Group's businesses to enable effective identification, segregation, and handling of hazardous and non-hazardous waste.

Employee Environmental Awareness

The Group recognises the importance of behavioural change in enhancing our environmental performance. We place considerable efforts to enhance the environmental awareness of our employees, hoping to shift their mindset to incorporate sustainable practices in our day-to-day operations.

We have dedicated a page for environmental protection on the Company's intranet to effectively disseminate information on sustainable practices to our employees. This online platform also provides a communication channel to receive enquiries and suggestions on the Company's environmental issues from our employees. Through the intranet page, we have communicated the Group's stance on promoting environmental protection and proactively encourage our employees to practice the 4Rs – Reduce, Reuse, Recycle and Replace in their daily operations. For instance, our employees are encouraged to recycle promotional materials. Moreover, we have also placed labels of environmental protection messages eminently in the office and our branches to provide a constant reminder to our employees on the importance of operating in a sustainable manner.

Our Climate-related Disclosures

The Group remains committed to enhancing transparency and strengthening resilience in a rapidly evolving sustainability and regulatory landscape. In response to the ESG Reporting Code and the enhanced climate-related disclosure requirements set out in Part D (Climate-related Disclosures) of the ESG Reporting Code, the Group continues to integrate climate-related considerations into its governance, strategy and risk management processes. The following climate-related disclosures are prepared with reference to Part D of the ESG Reporting Code and internationally recognised frameworks, including the International Sustainability Standards Board (ISSB) IFRS S2 Climate-related Disclosures, with consideration given to the Hong Kong's Climate Action Plan 2050.

Environmental, Social and Governance Report

Our Climate-related Disclosures (Continued)

Strategy

Climate Context and Relevance

Climate change continues to manifest through rising average temperatures, increased frequency and severity of extreme weather events, changes in rainfall patterns, and sea level rise. These physical impacts, together with transition-related developments such as regulatory tightening and evolving market expectations, present both risks and opportunities for the Group's long-term business performance.

Aligning with HKEX recommendations, the Group developed a structured climate risks and opportunities assessment methodology using selected climate scenarios. This assessment aims to:

- identify potential financial and operational impacts of climate change, and
- lay a foundation for adaptation and mitigation strategies for the Group.

We have identified climate-related risks and opportunities, reviewed their impact on the Group's business model and value chain, and assessed the potential financial and non-financial implications, where applicable, in the following tables.

Scenario Selection and Methodology

Assessment Boundary		
The Group's residential property agency services in Hong Kong		
Applied Scenarios		
Physical Risks	Intergovernmental Panel on Climate Change (IPCC) "Sixth Assessment Report" (AR6) Shared Socioeconomic Pathways (SSPs)	SSP1-2.6 Scenario SSP5-8.5 Scenario
Transition Risks	Network for Greening the Financial System (NGFS) long-term climate scenarios	Net Zero 2050 Fragmented World
Reasons	<ul style="list-style-type: none"> • Developed scenarios referred to IPCC (Physical Risk) and NGFS (Transition Risk). • The time horizons of the chosen data sources align with the time horizon of our strategic planning, in accordance with the Paris Agreement. • Chosen scenarios include low temperature rise (temperature rise within 2°C) and high temperature rise (temperature rise above 2°C) scenarios, revealing the key impact differences under different paths, helping the Group to identify different impacts of climate change on finance and operations. 	
Time Horizons		
Short-term	2025-2030	
Medium-term	2031-2060	
Long-term	Beyond 2060	
Reasons	Taking into account Chinese Mainland's 3060 dual carbon goals, the Group has set 2030 and 2060 as its key short-, medium- and long-term time horizon reference.	
Assessment Methodology		
Corporate management team evaluated the earliest possible occurrence of climate-related risks under different climate scenarios and the impact of climate-related risks on the Company from two dimensions: impact level and time horizon.		

Environmental, Social and Governance Report

Our Climate-related Disclosures (Continued)

Strategy (Continued)

Identified Climate-related Risks

Physical Risks		Related Assumption	SSP1-2.6 Scenario (IPCC AR6)			SSP5-8.5 Scenario (IPCC AR6)		
			2025-2030	2031-2060	Beyond 2060	2025-2030	2031-2060	Beyond 2060
Acute Risks	Extreme weather events		●	●	●	●	●	●
Chronic Risks	Rising average temperature	We assessed how climate change could impact where our assets are located and the potential risks of our asset value.	●	●	●	●	●	●
	Changing precipitation pattern		●	●	●	●	●	●
	Sea level rising		●	●	●	●	●	●

Transition Risks		Related Assumption	Net Zero 2050 (NGFS)			Fragmented World (NGFS)		
			2025-2030	2031-2060	Beyond 2060	2025-2030	2031-2060	Beyond 2060
Policy and Legal Risks	Tightened emissions regulations	We expected that climate-related policies and laws could lead to additional carbon taxes and compliance costs.	●	●	●	●	●	●
Market Risks	Change of customer preferences	We assessed how our customer environmental requirements and market structural changes could affect costs.	●	●	●	●	●	●

● Low Risk ● Medium Risk ● High Risk

Environmental, Social and Governance Report

Our Climate-related Disclosures (Continued)

Strategy (Continued)

Identified Climate-related Opportunities

Opportunity	Related Assumption	Expected Materialisation Time		
		2025-2030	2031-2060	Beyond 2060
Growth of green real estate market			★	
Application of digitalisation and virtual technologies	We assessed the timeframe over which climate-related opportunities may materialise for the Group as they transition to net zero.	★		
Optimisation of business models, strategies, and resources allocation			★	

★ High probability of opportunity being materialised

Potential Financial Impact

Type of risks	Climate-related risks	Effects on business model	Effects on value chain	Potential financial effect
Climate-related Physical Risks				
Acute Risk	Extreme weather events	<ul style="list-style-type: none"> Reduced operation time of branches Increased need for climate-resilient branch planning 	<ul style="list-style-type: none"> Damage to branches and equipment Disruption to utility supply and branch operation 	<ul style="list-style-type: none"> Higher repair and maintenance costs Potential business interruption thereby affecting the Group's revenue Sustained upward pressure on property insurance premiums
Chronic Risk	Rising average temperature	<ul style="list-style-type: none"> Higher health and safety risks for frontline staff 	<ul style="list-style-type: none"> Reduced productivity of employees working outdoor during heatwaves Increased strain on cooling systems 	<ul style="list-style-type: none"> Higher electricity and cooling costs Increased maintenance and equipment upgrade expenses
	Changing precipitation pattern	<ul style="list-style-type: none"> Lower demand for properties in high-risk locations 	<ul style="list-style-type: none"> Disruption to water supply and branch operation 	<ul style="list-style-type: none"> Higher repair and maintenance costs
	Sea level rising	<ul style="list-style-type: none"> Increased need for coastal branch strategy assessment, asset planning and adaptation measures 	<ul style="list-style-type: none"> Damage to branches and equipment 	<ul style="list-style-type: none"> Increased capital expenditure on protection measures Sustained upward pressure on property insurance premiums

Environmental, Social and Governance Report

Our Climate-related Disclosures (Continued)

Strategy (Continued)

Potential Financial Impact (Continued)

Type of risks	Climate-related risks	Effects on business model	Effects on value chain	Potential financial effect
Climate-related Transition Risks				
Policy and Legal Risk	Tightened emission regulations	<ul style="list-style-type: none"> Increased compliance requirements Shifted toward low-carbon operations 	<ul style="list-style-type: none"> Additional carbon assessments and reporting Increased reliance on compliant suppliers 	<ul style="list-style-type: none"> Higher compliance and operating costs Increased capital expenditure on equipment upgrades
Market Risk	Change of customer preferences	<ul style="list-style-type: none"> Increased demand for green and sustainable properties 	<ul style="list-style-type: none"> Higher standards for property design and management 	<ul style="list-style-type: none"> Increased operating costs to reshaping customers' needs Potential loss of tenants or buyers Potential impact on sales volume and market share

Type of opportunities	Climate-related opportunities	Effects on business model	Effects on value chain	Potential financial effect
Products and Services	Growth of green real estate market	<ul style="list-style-type: none"> Enhanced differentiation in property offerings Increased focus on green-certified properties 	<ul style="list-style-type: none"> Closer collaboration with green developers and property owners Increased marketing of sustainable property features 	<ul style="list-style-type: none"> New revenue streams higher transaction volumes for green properties Potential premium pricing opportunities
Technology	Application of digitalisation and virtual technology	<ul style="list-style-type: none"> Expansion of digital and virtual property services Reduced reliance on physical property visits 	<ul style="list-style-type: none"> Integration of virtual viewings and digital platforms Increased automation of internal workflows 	<ul style="list-style-type: none"> Lower branch operating and transaction costs Broader customer reach and lead generation
Resource Efficiency	Optimisation of business models, strategies and resources allocation	<ul style="list-style-type: none"> Enhanced supplier and partner management 	<ul style="list-style-type: none"> Introduction of sustainability-based supplier screening Improved procurement and resource allocation processes 	<ul style="list-style-type: none"> Long-term cost savings from efficiency improvements More effective use of operational resources

Environmental, Social and Governance Report

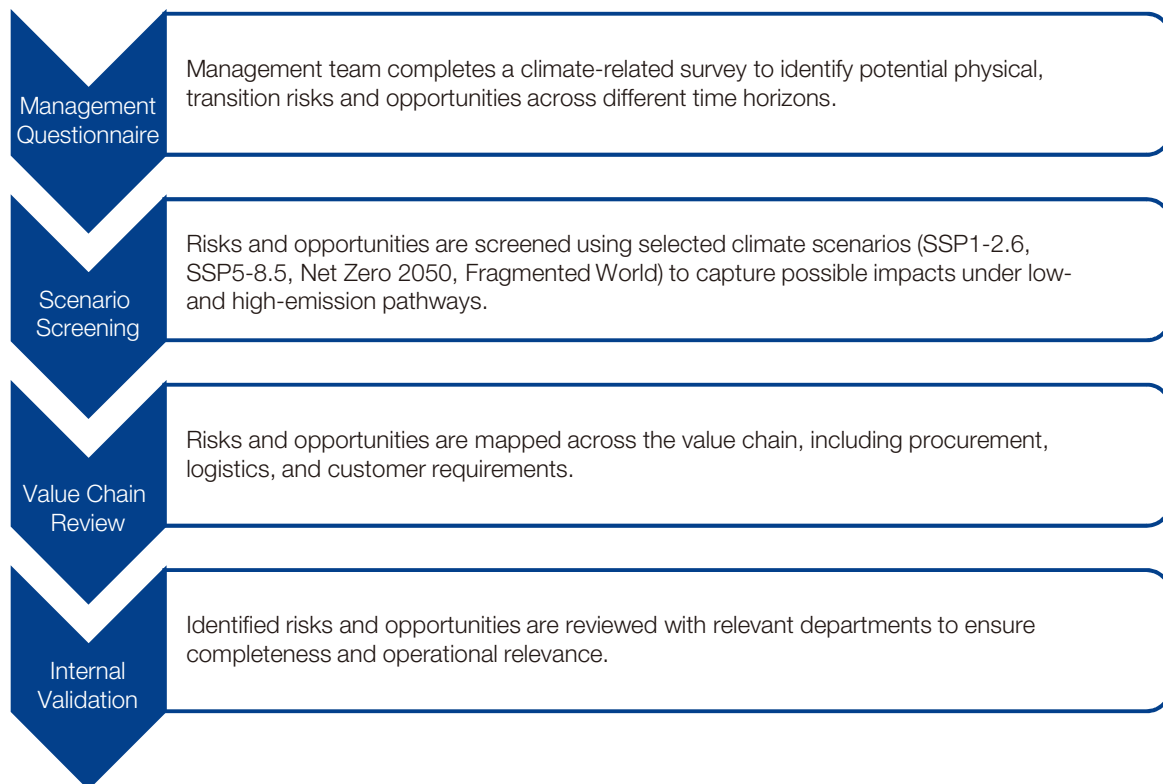
Our Climate-related Disclosures (Continued)

Risk Management

The Group recognises that climate change presents both risks and opportunities that may affect its operations, supply chain and long-term competitiveness. These include transition risks, physical risks and potential climate-related opportunities. To address these risks and capture potential opportunities, the Group has integrated climate considerations into its risk management framework.

Risk and Opportunity Identification Process

The Group identifies climate-related risks and opportunities through a structured process that aligns with its risk management framework. Key steps include:



Environmental, Social and Governance Report

Our Climate-related Disclosures (Continued)

Risk Management (Continued)

Mitigation Measures

The Group has developed mitigation measures to address the material climate-related risks identified through the assessment. The following table outlines the key actions in place to strengthen operational resilience and support the Group's transition response.

Climate-related Physical Risks	Initiatives
Extreme weather events	<ul style="list-style-type: none"> The Group continuously assesses the impacts of extreme weather and other climate-related disruptions on its operations, and makes corresponding enhancements to maintain business continuity. The Board also monitors relevant risks and strengthens precautionary measures to enhance climate resilience.
Sea level rising	
Changing precipitation pattern	
Rising average temperature	<ul style="list-style-type: none"> The Group has installed energy-efficient equipment including air conditioning systems, LED lighting and heat-insulating window film in our offices and branches to improve energy efficiency and support operational performance under higher temperatures. The reduction in energy consumption is estimated to be 20%–30%. The Group also installed energy-saving systems and timers on the equipment in all our offices and branches to control the operating time.
Climate-related Transition Risks	Initiatives
Tightened emissions regulations	<ul style="list-style-type: none"> The Group monitors its GHG emissions through compiling annual GHG report in accordance with ISO 14064-1:2018 standard, with external verification, and has implemented emission control, energy-saving and energy efficiency measures to strengthen emissions management, such as encouraging our employees to replace business trips with alternative options, including telephone calls, video conferences and other online communication tools, where possible, to reduce air pollution and greenhouse gas emissions.
Change of customer preferences	<ul style="list-style-type: none"> The Group is taking steps to set sustainability targets and implement carbon management and energy conservation measures in order to support evolving stakeholder and customer expectations on sustainability.

The Group recognises that climate change may also give rise to potential business opportunities. At this stage, the Group is still considering appropriate approaches to respond to climate-related opportunities in light of its business development, operational needs and market conditions. The table below sets out the Group's current areas of consideration in capturing potential climate-related opportunities.

Climate-related Opportunities	Initiatives
Green real estate market growth	<ul style="list-style-type: none"> The Group is considering paying closer attention to demand for greener and more energy-efficient properties, and exploring opportunities to align its business with relevant market trends.
Application of digitalisation and virtual technologies	<ul style="list-style-type: none"> The Group is considering further adopting digital tools and virtual communication methods to improve operational efficiency and optimise resource use.
Optimisation of business models, strategies, and resources allocation	<ul style="list-style-type: none"> The Group is considering incorporating climate-related factors into its business planning and operational management to support strategic and resource optimisation.

For the reporting year, the Company was granted the Energywise Certificate (Good Level) by the Hong Kong Green Organisation Certification to recognise our continuous efforts on energy conservation.

Environmental, Social and Governance Report

Our Climate-related Disclosures (Continued)

Metrics and Targets

Greenhouse Gas Emissions

The Group recognises that GHG emissions are a key driver of climate change and an important metric for assessing climate-related risks and opportunities. In line with the ESG Reporting Code and the ISSB IFRS S2 Climate-related Disclosures, the Group measures and monitors its GHG emissions with reference to the Greenhouse Gas Protocol. The Group's GHG emissions metrics currently include:

- Scope 1 GHG emissions and
- Scope 2 GHG emissions

With respect to Scope 3 GHG emissions, the Group acknowledges that other indirect emissions across the value chain may be relevant to its overall climate impact. However, due to the complexity of data collection, varying data availability among value chain partners, and the need to establish appropriate methodologies, Scope 3 GHG emissions have not yet been disclosed in the current reporting period.

Detailed GHG emissions data are set out in the section headed "Environmental Performance Data Table" of this report.

Emissions Targets

The Group is committed to progressively strengthening its management of GHG emissions in support of global and local climate action efforts. Building on its disclosure of Scope 1 and Scope 2 emissions, the Group currently focuses on maintaining data quality and enhancing energy efficiency across its operations, so as to support the management of indirect emissions associated with electricity consumption.

The Group regularly monitors its GHG emissions performance and reviews relevant metrics and management approaches as part of its ongoing sustainability and risk management processes. As its GHG data foundation, data collection methodologies and internal controls continue to improve, the Group will continue to review the appropriateness of establishing decarbonisation targets, taking into account its operational characteristics, business development needs and the external policy environment. These efforts will support the continuous enhancement of the Group's GHG emissions management and related disclosures in future reporting periods.

Environmental, Social and Governance Report

Environmental Performance Data Table

	Unit	Performance in 2025	Performance in 2024
Energy consumption			
Total electricity consumption ³	kWh	5,316,498	5,565,634
Energy intensity	GJ/employee	4.23	4.60
GHG emissions¹			
Direct GHG emissions (Scope 1) ²	tonnes of CO ₂ equivalent (tCO ₂ e)	0	0
Indirect GHG emissions (Scope 2, location-based) ³	tCO ₂ e	2,314	2,555
GHG emission intensity	tCO ₂ e/employee	0.51	0.59
Water consumption⁴			
Total water consumption	cubic meter (m ³)	2,513	3,165
Water intensity	m ³ /employee	0.56	0.73
Waste management⁵			
Fluorescent tube disposed	pieces	1,111	1,269
Electrical appliances/components disposed ⁶	pieces	0	0
Electrical appliances/components recycled ⁶	pieces	781	220
Paper recycled	kg	4,963	5,851

Notes:

- GHG emissions are calculated in accordance with the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition) published by the Environmental Protection Department, HKSAR. We also took reference from global warming potential values from the IPCC Fifth Assessment Report and the emission factors from CLP Power Hong Kong Limited, The Hongkong Electric Company Limited and The Hong Kong and China Gas Company Limited respectively, for the calculation of GHG emissions.
- Direct GHG emission (Scope 1) is generated from refrigerant consumption by water dispensers in our head offices. Refrigerant consumption is insignificant in our offices and branches, thus data is not collected for disclosure.
- Indirect GHG emission (Scope 2, location-based) is generated from consumption of purchased electricity by our head offices and branches in Hong Kong.
- Water consumption covers branch operation only. Water consumption in our head offices is insignificant, thus data is not collected for disclosure. The higher usage in water consumption in 2024 as compared with that of 2025 was due to concealed water pipe leakage at one of the branches in 2024.
- Non-hazardous waste disposed is insignificant in our offices and branches, thus data is not collected for disclosure.
- Due to system upgrade, the Group had increased hardware recycling.

Environmental, Social and Governance Report

Our Supply Chain

Overview of Our Supply Chain

To support our daily operations, the Group worked with 131 suppliers during the reporting year. Our main suppliers consist of companies that provide cleaning, insurance, security and transportation services, office equipment and printing products. To further promote local business development and reduce our carbon footprint, we also give priority to local suppliers when possible. In 2025, all our suppliers operate in Hong Kong.

Supplier Selection and Monitoring

We adhere to all applicable laws and regulations when procuring products and services. We also maintain a fair and reasonable procurement process for all our suppliers and service providers. During the tendering process, the Group communicates our high standards on conducting business in a responsible manner to our suppliers through our Vendor Code of Conduct. Regular assessments are also conducted to monitor and evaluate the performance of our suppliers, ensuring compliance and continuous improvement.

The Group recognises the importance of addressing the social, environmental, and ethical issues in our supply chain. We strive to promote environmentally sound procurement practices. The Group has established the Green Procurement Policy and revamped our tender document to reinforce our commitment. We adopt a comprehensive supply management mechanism to ensure appropriate management of environmental and social risks. Suppliers' ESG performance is one of the prime consideration factors in our selection process. We give priority to suppliers who can provide sustainable and socially responsible products and services. Some of our existing suppliers obtained various international certifications relating to environmental management and social responsibility. Selected suppliers are subject to ongoing monitoring and annual evaluation for quality assurance.

As we strive to minimise our environmental impact in our daily operations, we procure environmentally preferable products and services with a view to minimising adverse impact on environmental and human health when possible. For instance, we prioritise the use of environmentally-certified paper where possible, including paper certified by the Forest Stewardship Council (FSC). Moreover, we use soy-based ink for our printers to reduce environmental detriments as opposed to conventional petroleum-based ink. The Group is also taking steps in purchasing bio-degradable trash bags which are designed to decompose quickly and tackle plastic pollution.

Our Community

Our Community Investment

Our business is closely connected to the communities in which we operate, and the Group has consistently invested considerable effort in giving back to them. By enriching our communities, we help them to thrive. We are also passionate about improving the wellness of the community, especially in challenging times. We distributed resources to serve different social groups in the community. In collaboration with various organisations, we strive to create long-term value for our community, and we grow with the community together for a better shared future.

Midland Charitable Foundation was established in 2004. 0.1% of the commission income from every second-hand property transaction of the relevant subsidiaries of the Company in a month will be donated to the Midland Charitable Foundation to support charitable organisations for local community development.

Environmental, Social and Governance Report

Our Community (Continued)

Our Community Investment (Continued)

We create inclusive engagement for the community and foster the city's development through community investment. We also have guidelines on community engagement to understand the needs of the communities and to ensure that our activities have taken into consideration the communities' interests. To optimise our effort in community investment, we conduct a thorough evaluation after the completion of each community event prior to determining the community event plan for the upcoming year. Our review covers activity objectives, number of beneficiaries, participation frequencies and hours, and the number of employees who participated.

During the reporting year, the Group donated HK\$936,000 and provided approximately 219 hours of volunteer services to help the people in need, including over HK\$1 million donation to The Salvation Army for supporting the residents affected by Tai Po fire. Thus, we are honoured to have our devotion towards supporting and caring for our community being recognised with the Caring Company Logo by The Hong Kong Council of Social Service for more than 20 consecutive years.

Caring for the Local Elderly

The local elderly are one of the major target beneficiaries within the breadth of our community engagement. The Group sponsored and supported various volunteer activities, including elderly visits organised by the Christian Family Service Centre. We are always looking to create great and memorable moments for our seniors.

Nurturing the Youth

Younger generations are the future leaders and innovators. Therefore, we are passionate about inspiring the youth and unleashing their potential through different exposure opportunities and development programs. The Group is committed to providing internship and employment opportunities to local students and graduates every year to help the new generation accumulate workplace experience and prepare for their future career development.

The Group has supported the "Project WeCan" campaign since 2014 to provide comprehensive support to schools. We engaged in the "Job Tasting Programme 2025" which helped secondary students to develop interview skills and gain a better understanding of the real estate agency industry through internships, and the "Young Innovators Bazaar" which offered students hands-on experience on business planning.

Caring for Patients

The Group has always been passionate about philanthropy and has participated in "Standard Chartered Hong Kong Marathon". 20 athletes were fully sponsored to participate in campaign, with races covering the full marathon, half marathon and 10km races, demonstrating the enthusiasm of the team for diversified participation. The Group also participated in "Heart-to-Heart Charity Walk 2025" held by the Children's Heart Foundation to raise funds for children suffering from congenital heart disease and to raise public awareness on heart health.

Environmental, Social and Governance Report

Social Performance Data Table

	Unit	Performance in 2025	Performance in 2024
Employee Profile¹			
Total workforce ²	No. of people	4,522	4,351
<i>Total workforce by employment type</i>			
Full-time	No. of people	4,352	4,144
Part-time	No. of people	170	207
<i>Total workforce by gender³</i>			
Male	No. of people	2,296	2,250
Female	No. of people	2,056	1,894
<i>Total workforce by age group³</i>			
18–29	No. of people	386	396
30–50	No. of people	2,373	2,245
Above 50	No. of people	1,593	1,503
<i>Total workforce by geographic location³</i>			
Hong Kong	No. of people	4,352	4,144
Employee Turnover			
Total employee turnover rate ⁴	%	24%	30%
		(Frontline: 25%)	(Frontline: 31%)
		(Back office: 14%)	(Back office: 17%)
<i>Employee turnover rate by gender⁴</i>			
Male	%	23%	27%
Female	%	26%	34%
<i>Employee turnover rate by age group⁴</i>			
18–29	%	39%	47%
30–50	%	20%	27%
Above 50	%	26%	31%
<i>Employee turnover rate by geographic location⁴</i>			
Hong Kong	%	24%	30%

Notes:

- 1 The number of employees only covers the in-scope business operations as described under the section headed "Reporting Scope and Boundary".
- 2 The total workforce includes senior management of the Company.
- 3 Only full-time employees are calculated in the breakdown by gender, age group and geographic location.
- 4 Turnover rate = number of full-time employees who left the Group during the reporting year in the specified category/average number of full-time employees in the specified category at the beginning and at the end of the reporting year * 100%.

Environmental, Social and Governance Report

Social Performance Data Table (Continued)

	Unit	Performance in 2025	Performance in 2024
Development and Training			
Total workforce trained ⁵	No. of people	4,517	4,879
<i>Percentage of employees trained by gender</i>			
Male	%	52%	52%
Female	%	48%	48%
<i>Percentage of employees trained by employee category</i>			
General staff	%	88%	88%
Managers	%	10%	10%
Management	%	2%	2%
<i>Average training hours per employee by gender</i>			
Male	Hours/employee	13.35	12.25
Female	Hours/employee	15.42	13.86
<i>Average training hours per employee by employee category</i>			
General staff	Hours/employee	14.56	12.95
Managers	Hours/employee	13.18	13.91
Management	Hours/employee	10.98	11.85
Occupational Health and Safety			
Lost day due to work injury ⁶	No. of days	748	457
Work-related fatalities	No. of people	Nil – there were no work-related fatalities occurred in each of the past three years including the reporting year (2025).	
Supply Chain Management			
Number of suppliers by geographic location			
Hong Kong, China	No. of suppliers	131	136

Notes:

- 5 The total of workforce trained includes employees who left the Group during the reporting year.
- 6 The lost day is calculated based on sum of the number of days that the employee cannot attend to work due to work injuries. The increase in number of lost days in 2025 was mainly due to four cases in 2025 of which each case reported over 100 lost days.

Environmental, Social and Governance Report

Our ESG Awards

Awards for Environmental Performance

Organiser	Award and Recognition
Hong Kong Green Organisation Certification	Hong Kong Green Organisation Energywi\$e Certificate – Good Level Wastewi\$e Certificate – Excellent Level
The Environment and Ecology Bureau	Charter on External Lighting – 175 Branches Received the Diamond Award

Awards for Corporate Social Responsibility

Organiser	Award and Recognition
Labour Department	Good Employer Charter “Supportive Family-friendly Good Employer” Logo
Promoting Happiness Index Foundation	Happiness at Work Promotional Scheme 2025 – Happy Company
The Hong Kong Council of Social Service	20 Years Plus Caring Company Logo
The Hong Kong General Chamber of Small and Medium Business	2025 Partner Employer Award – Partner Employer Award
InspiringHK Sports Foundation	SportsHour Company Recognition

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KPI A1.1	The types of emissions and respective emissions data.	Air emissions are insignificant in the Group's business.	N/A
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Environmental Performance Data Table	54
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Environmental Performance Data Table	54
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KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management	46
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KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Our Climate-related Disclosures – Risk Management – Metrics and Targets	52-53
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water consumption is not material in the Group's business operation.	N/A
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The use of packaging material for finished products is not applicable to the Group's business.	N/A
Aspect A3 The Environment and Natural Resources			
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KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Employee Environmental Awareness	46

Environmental, Social and Governance Report

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KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Social Performance Data Table 57-58
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social Performance Data Table 57-58
Aspect B2 Health and Safety		
General Disclosure	Occupational Health and Safety	45
KPI B.2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Social Performance Data Table 57-58
KPI B.2.2	Lost days due to work injury.	Social Performance Data Table 57-58
KPI B.2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety 45
Aspect B3 Development and Training		
General Disclosure	Training and Development	44-45
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social Performance Data Table 57-58
KPI B3.2	The average training hours completed per employee by gender and employee category.	Social Performance Data Table 57-58
Aspect B4 Labour Standards		
General Disclosure	Employment Policy and Labour Standards	43
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Employment Policy and Labour Standards 43
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Employment Policy and Labour Standards 43

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Subject Areas, Aspects, General Disclosures and KPIs		Reference/Remarks	Page
Operating Practices			
Aspect B5 Supply Chain Management			
General Disclosure		Supplier Selection and Monitoring	55
KPI B5.1	Number of suppliers by geographical region.	Social Performance Data Table	57-58
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supplier Selection and Monitoring	55
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supplier Selection and Monitoring	55
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supplier Selection and Monitoring	55
Aspect B6 Product Responsibility			
General Disclosure		Product and Service Responsibility	41-42
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	This is not applicable to the Group's business.	N/A
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Feedback Handling	42
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product and Service Responsibility	41-42
KPI B6.4	Description of quality assurance process and recall procedures.	Product and Service Responsibility	41-42
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Privacy and Data Protection	42
Aspect B7 Anti-corruption			
General Disclosure		Ethical Business Operation	38
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Ethical Business Operation	38
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Ethical Business Operation	38
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Ethical Business Operation	38
Community			
Aspect B8 Community Investment			
General Disclosure		Our Community Investment	55-56
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Our Community Investment	55-56
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Our Community Investment	55-56

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Part D (Climate-related Disclosures) of the ESG Reporting Code	Reference/Remarks	Page
(I) Governance		
19. (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities	Our ESG Management – ESG Governance	37
(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities		
(II) Strategy		
20. Climate-related risks and opportunities	(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term	Our Climate-related Disclosures – Strategy
	(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk	
	(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur	
	(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making	

Appendix: Content Index (Continued)

Part D (Climate-related Disclosures) of the ESG Reporting Code	Reference/Remarks	Page	
21. Business model and value chain	<p>(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain</p> <p>(b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).</p>	<p>Our Climate-related Disclosures – Strategy</p> <p>The Group has provided qualitative disclosures under “Effects on business model”, “Effects on value chain” and “Potential financial effect”. At present, the Group has not conducted a detailed assessment of the actual impacts or concentration of climate-related risks and opportunities across its business model and value chain.</p>	47-50
22. Strategy and decision-making	<p>(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation</p> <p>(b) information about how the issuer is resourcing, and plans to resource, the actions taken and to be taken in response to climate-related risks and opportunities in its strategy and decision-making</p>	<p>Our Climate-related Disclosures – Strategy</p> <p>As the Group was still developing its management framework for climate-related risks and opportunities during the reporting period, its assessment of relevant strategies, decision-making and resource allocation mechanisms had not yet been fully established. Accordingly, comprehensive disclosure on this matter is not yet available for the current reporting period. Relevant disclosures will be progressively enhanced as the Group's management systems and data foundation mature.</p>	47-50
23. Strategy and decision-making	information about the progress of plans disclosed in previous reporting periods	N/A	

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Part D (Climate-related Disclosures) of the ESG Reporting Code		Reference/Remarks	Page
24. Financial position, financial performance and cash flows - Current financial effect	(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period	Our Climate-related Disclosures – Strategy	47-50
	(b) the climate-related risks and opportunities, identified based on how they have affected the issuer's financial position, financial performance and cash flows for the reporting period, for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements	The Group currently provides qualitative information on the financial effects of climate-related risks and opportunities, but has not yet developed models to quantify the potential impacts on financial position, financial performance and cash flows. Based on currently available data, no climate-related factors have been identified that would require material adjustments to the financial statements for the next fiscal year. The Group will progressively enhance its capabilities, systems and related disclosures as its climate-related financial analysis matures.	
25. Financial position, financial performance and cash flows – Anticipated financial effect	(a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities	Our ESG Management – ESG Governance	37
	(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities		
26. Climate resilience	(a) the issuer's assessment of its climate resilience as at the reporting date	Our Climate-related Disclosures – Strategy	47-50
	(b) how and when the climate-related scenario analysis was carried out	In conducting climate scenario and resilience assessments, the Group is subject to various climate-related uncertainties. At present, such uncertainties are considered qualitatively, and quantitative sensitivity analysis has not yet been conducted.	
		Our ESG Management – ESG Governance	37
		Our Climate-related Disclosures – Strategy	47-50

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Part D (Climate-related Disclosures) of the ESG Reporting Code	Reference/Remarks	Page
(III) Risk Management		
27. (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks	Our Climate-related Disclosures – Risk Management	51-52
(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities)	Our Climate-related Disclosures – Risk Management	51-52
(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process	Our Climate-related Disclosures – Risk Management The Group is progressively incorporating processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities into its overall risk management framework.	51-52
(IV) Metrics and Targets		
28-29. Greenhouse gas emissions	Our Climate-related Disclosures – Metrics and Targets	53
	Environmental Performance Data Table	54
	The Group currently discloses its Scope 1 and Scope 2 GHG emissions. As Scope 3 emissions involve data across the value chain, challenges remain in data availability and consistency. The Group has not yet fully disclosed Scope 3 emissions and will progressively advance its relevant identification and inventory work.	
30. Climate-related transition risks	Currently, due to limitations in internal resources and data systems, the	
31. Climate-related physical risks	Group has not yet provided quantitative disclosures on assets or business	
32. Climate-related opportunities	activities exposed to climate-related risks or opportunities, or on related capital allocation. Relevant information is currently disclosed on a qualitative basis only.	

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Appendix: Content Index (Continued)

Part D (Climate-related Disclosures) of the ESG Reporting Code	Reference/Remarks	Page
33. Capital deployment	<p>As of the end of the reporting period, the Group had not separately identified or disclosed climate-related capital expenditures, financing or investments, nor had it established an internal carbon pricing mechanism or linked climate-related performance to remuneration. The Group will progressively enhance relevant tracking and disclosures as resources and systems develop.</p>	
34. Internal carbon prices		
35. Remuneration	<p>The Group has not yet formally incorporated specific climate-related performance indicators into senior management remuneration policies. The Group will continue to assess the feasibility of further incorporating climate-related performance into remuneration considerations and enhance relevant disclosures as appropriate.</p>	
36. Industry-based metrics	<p>Scope 1 and Scope 2 greenhouse gas emissions are disclosed under “Greenhouse Gas Emissions” as cross-industry climate metrics. The Group is assessing the applicability of industry-based metrics to its business and will enhance disclosure in due course.</p>	53
37-40. Climate-related targets	<p>The Group has not yet established formal climate-related or net-zero emissions targets, and no interim milestones have been defined at this stage. The Group will progressively consider the formulation of relevant targets as its management approach, data foundation and capabilities develop. During the reporting period, the Group did not use carbon credits to offset its emissions.</p>	

Report of the Directors

The Directors present their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

Principal Activities and Segment Information

The principal activity of the Company is investment holding. The activities of its principal subsidiaries and joint ventures are set out in note 36 to the consolidated financial statements.

An analysis of the Group's performance for the year ended 31 December 2025 by operating segments is set out in note 7 to the consolidated financial statements.

Results and Appropriations

The results of the Group for the year ended 31 December 2025 are set out in the consolidated income statement on page 90 of this Annual Report.

The Board recommended the payment of a final dividend of HK6.0 cents (2024: nil) per ordinary share, and a special dividend of HK3.0 cents (2024: nil) per ordinary share in celebration of the 30th anniversary of listing of the Company, totalling HK9.0 cents (2024: nil) per ordinary share of the Company (the "Final Dividend and Special Dividend"), in an aggregate amount of approximately HK\$64,521,000 (2024: nil) in respect of the year ended 31 December 2025.

The Final Dividend and Special Dividend are subject to the approval of the shareholders at the forthcoming annual general meeting of the Company (the "AGM") to be held on Monday, 8 June 2026, and are expected to be paid on Monday, 29 June 2026 to the shareholders whose names appear on the register of members of the Company on Friday, 12 June 2026.

Dividend Policy

The Company has adopted a dividend policy which is to provide relatively steady dividend payout ratio, linked to the Group's earnings performance and cash flow position as well as the business environment.

In view of its growth potentials, it is also the intention of the Group to maintain a position of financial stability and solid cash holdings to take advantage of any expansion or investment opportunities that may arise from time to time.

Closure of Register of Members

The record date for determining the entitlement to attend and vote at the AGM will be Monday, 8 June 2026. The register of members of the Company will be closed from Wednesday, 3 June 2026 to Monday, 8 June 2026, both days inclusive, during which period no transfer of shares will be registered. To be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 2 June 2026.

The record date for determining the entitlement to the Final Dividend and Special Dividend will be Friday, 12 June 2026. The register of members of the Company will be closed on Friday, 12 June 2026 and no transfer of shares will be registered. In order to qualify for the Final Dividend and Special Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 11 June 2026.

Report of the Directors

Business Review

A fair review of the business of the Group and particulars of important events affecting the Group that have occurred since the end of the financial year as well as discussion on the future business development of the Group are provided in the Chairman's Statement on pages 9 to 11, the Strategic Review and Planning on pages 12 to 13 and the Management Discussion and Analysis on pages 82 to 84 of this Annual Report. Description of the principal risks and uncertainties facing by the Group can be found in the Chairman's Statement on pages 9 to 11 and note 4 to the consolidated financial statements on pages 107 to 115 of this Annual Report. An analysis using financial key performance indicators can be found in the Management Discussion and Analysis on pages 82 to 84 of this Annual Report. A discussion of the Group's environmental (including climate-related) policies and performance is provided in the Environmental, Social and Governance Report on pages 36 to 67 of this Annual Report. The above sections form part of this report.

In addition, discussions on the relationships with its key stakeholders and compliance with the relevant laws and regulations which have a significant impact on the Group are provided in the paragraphs below.

Relationships with key stakeholders

The Group maintains good relationship with its key stakeholders, which include employees, customers and shareholders.

Employees

The Group considers its employees as important and valuable assets, and is committed to providing a pleasant working environment and promoting work-life balance. In this regard, the Group has implemented various policies, ranging from casual wear day, birthday and family-care holiday, to organising various leisure activities for its employees from time to time.

The Group believes that communication is important in building up good relationship between management and employees. The management issues regular newsletters which are circulated to the employees through intranet. The Group also encourages employees to provide suggestions to the Group through various platforms.

Customers

The Group's main customers are purchasers, vendors, landlords and tenants of properties. The Group considers customers as a major stakeholder and is committed to providing comprehensive and high quality customer services.

Shareholders

The Group is committed to enhancing the shareholders' value and safeguarding the shareholders' interest through sound and effective corporate governance practices and procedures. Further discussion of the corporate governance practices and procedures is set out in the Corporate Governance Report on pages 17 to 29 of this Annual Report.

Compliance with the relevant laws and regulations

As one of the principal activities of the Group is provision of estate agency services, the Group takes particular care to comply with the requirements of the Estate Agents Ordinance and the Residential Properties (First-hand Sales) Ordinance. The Group is committed to complying with the requirements of the Personal Data (Privacy) Ordinance and the guidelines issued by the Office of the Privacy Commissioner for Personal Data. To ensure the compliance with the applicable laws and regulations, the Group conducts regular training sessions for its staff, sets out guidelines and issues internal circulars to its staff from time to time.

Report of the Directors

Compliance with the relevant laws and regulations (Continued)

In relation to human resources, the Group is committed to complying with the employment related ordinances such as the Employment Ordinance, the Minimum Wage Ordinance, the Personal Data (Privacy) Ordinance, the ordinances relating to disability, sex, family status and race discrimination as well as the ordinance relating to occupational safety and health.

On the corporate level, the Company is committed to complying with the requirements under the Listing Rules and the Securities and Futures Ordinance (the “SFO”), such as disclosure of information and corporate governance. The Company has complied with the code provisions set out in the Code throughout the year ended 31 December 2025. 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.

Reserves

Details of the movements in the reserves of the Group and the Company during the year are set out in note 26 and note 35 to the consolidated financial statements respectively.

Charitable Donations

During the year, the Group made charitable donations totalling HK\$936,000 (2024: HK\$807,000).

Property and Equipment

Details of the movements in property and equipment of the Group during the year are set out in note 16 to the consolidated financial statements.

Investment Properties

Details of the movements in investment properties of the Group during the year are set out in note 18 to the consolidated financial statements. Details of the properties held for investment purposes are set out on page 159 of this Annual Report.

Share Capital

Details of the share capital of the Company during the year are set out in note 25 to the consolidated financial statements.

Pre-Emptive Rights

There is no provision for pre-emptive rights under the Company’s bye-laws and there are no restrictions against such rights under the applicable laws of Bermuda.

Distributable Reserves

As at 31 December 2025, the reserves of the Company available for distribution amounted to HK\$291,062,000 (2024: HK\$288,595,000).

Five-Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 160 of this Annual Report.

Report of the Directors

Purchase, Sale or Redemption of the Company's Listed Securities

In January 2025, the Company repurchased a total of 190,000 shares of the Company on the Stock Exchange at an aggregate consideration of HK\$156,800. The repurchase of shares was approved by the Board for the enhancement of the shareholders' value and the Company's net asset value and/or its earnings per share. Details of the shares repurchased are as follows:

Month of Repurchase	No. of Shares Repurchased	Price paid per Share		Aggregate Consideration (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January 2025	190,000	0.83	0.82	156,800

The shares repurchased were cancelled on 26 February 2025.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury shares as defined under the Listing Rules, if any) during the year ended 31 December 2025.

Board of Directors

The Directors who held office during the year ended 31 December 2025 and up to the date of this Annual Report are as follows:

Executive Directors

Mr. WONG Kin Yip, Freddie (*Chairman*)

Ms. WONG Ching Yi, Angela (*Deputy Chairman and Managing Director*)

Mr. SZE Ka Ming (*Chief Financial Officer*)

Mr. WONG Tsz Wa, Pierre (*resigned with effect from 1 April 2025*)

Independent Non-Executive Directors

Mr. HO Kwan Tat, Ted

Mr. SUN Tak Chiu

Mr. CHAN Nim Leung Leon

In accordance with bye-law 87 of the Company's bye-laws, Ms. WONG Ching Yi, Angela and Mr. HO Kwan Tat, Ted shall retire by rotation at the forthcoming annual general meeting of the Company and, being eligible, shall offer themselves for re-election.

The Company received from all Independent Non-Executive Directors annual confirmation of their independence and considered all the Independent Non-Executive Directors to be independent pursuant to Rule 3.13 of the Listing Rules.

Directors' Service Contracts

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation, other than statutory compensation.

Directors' Interests in Transactions, Arrangements and Contracts of Significance

Save as disclosed in this Annual Report, no transactions, arrangements and contracts that are significant in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Report of the Directors

Permitted Indemnity Provision

Pursuant to the bye-laws of the Company, every Director shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which he or she shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of his or her duty, or supposed duty, in his or her office provided that this indemnity shall not extend to any matter in respect of any wilful negligence, wilful default, fraud or dishonesty which may attach to him or her. The Company has arranged directors and officers liability insurance for the directors of the Group.

Equity-linked Agreements

Other than the share option scheme of the Company, no equity-linked agreements that will or may result in the Company issuing shares nor requiring the Company to enter into an agreement that will or may result in the Company issuing shares was entered into by the Company during the year or subsisted at the end of the year.

Details of the share option scheme of the Company are set out in the section headed "Share Option Scheme" in this Annual Report.

Share Option Scheme

Pursuant to an ordinary resolution passed by the shareholders of the Company at the annual general meeting held on 23 June 2016, the Company adopted the share option scheme (the "Share Option Scheme"). A summary of the Share Option Scheme is as follows:

(a) Purpose

The principal purposes of the Share Option Scheme are to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to, the selected participants, to attract and retain the best quality personnel for the development of the business of the Company and each of its direct or indirect subsidiary, associated company, jointly controlled entity or joint venture (collectively, the "Eligible Group"), to recognise the contributions of the selected participants to the growth of the Eligible Group by rewarding them with opportunities to obtain ownership interest in the Company, and/or to promote the long term success of the Eligible Group by aligning the interests of the selected participants to the shareholders of the Company.

(b) Participants

The participants of the Share Option Scheme are any director (including any executive director of the Company), executive, officer or employee (whether full-time or part-time) of each member of the Eligible Group (but excluding each member of the committee appointed by the Board from time to time for the purpose of administration of the Share Option Scheme), as absolutely determined by the Board in accordance with the terms of the Share Option Scheme.

(c) Total number of shares available for issue

The maximum number of shares which might be issued upon exercise of all options granted or to be granted under the Share Option Scheme should not in aggregate exceed 5% of the total number of shares in issue (i.e. 35,902,300 shares) as at the date of the adoption of the Share Option Scheme.

The total number of shares available for issue under the Share Option Scheme was 35,902,300 shares (representing approximately 5% of the issued shares of the Company as the date of this Annual Report), The Company had granted options under the Share Option Scheme to subscribe for a total of 9,174,300 shares (representing approximately 1.28% of the issued shares of the Company as at the date of this Annual Report).

Report of the Directors

Share Option Scheme (Continued)

(d) Maximum entitlement of each participant

The maximum number of shares issued and to be issued upon exercise of all options granted to each participant under the Share Option Scheme and any other share option schemes of the Company (including those exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares of the Company in issue.

Any further grant of share options in excess of the above-mentioned limit shall be subject to the separate approval by the shareholders of the Company in general meeting with such participant and his or her close associates, or his or her associates if the participant is a connected person (all within the meaning as ascribed under the Listing Rules) of the Company, abstaining from voting, and all other requirements prescribed under the Listing Rules.

(e) Maximum entitlement of each participant who is a connected person

The maximum number of shares issued and to be issued upon exercise of all options granted under the Share Option Scheme and any other share option scheme(s) of the Company to each participant who is an Independent Non-Executive Director or a substantial shareholder of the Company, or any of their respective associates, in any 12-month period shall not exceed 0.1% of the total number of shares of the Company in issue and the aggregate value based on the closing price of the shares of the Company at the date of each grant shall not exceed HK\$5,000,000.

Any further grant of share options in excess of the above-mentioned limit shall be approved by the shareholders of the Company with all core connected persons (within the meaning as ascribed under the Listing Rules) of the Company abstaining from voting in favour at such general meeting.

(f) Time of exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period within which the option may be exercised, to be notified by the Board to each participant who accepts an offer in accordance with the terms of the Share Option Scheme subject to such terms and conditions (including vesting period) as determined by the Board, provided that it shall commence on a date not later than ten years from the date of grant.

(g) Acceptance of offer

An offer for the grant of an option made by the Company must be accepted within ten business days from the day on which such offer is made. The amount payable to the Company on acceptance of the offer for the grant of an option is HK\$1.

(h) Basis of determining the exercise price

The exercise price of an option to subscribe for shares granted under the Share Option Scheme shall be a price solely determined by the Board at its absolute discretion and shall not be less than the highest of:

- (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option which must be a business day;
- (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five consecutive business days immediately preceding the date of grant of the option; and
- (iii) the nominal value of a share of the Company on the date of grant of the option.

Report of the Directors

Share Option Scheme (Continued)

(i) Remaining life of the Share Option Scheme

The Share Option Scheme became effective on 23 June 2016 and will remain in force for a period of ten years from that date.

The Company should comply with the requirements under Chapter 17 of the Listing Rules in respect of the matters of share options.

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

Name	Date of grant (Note 1)	Exercise price per share HK\$	Number of share options					Balance exercised during the year	Balance outstanding as at 31 December 2025	Exercisable period
			Balance outstanding as at 1 January 2025	Granted during the year	Lapsed during the year	Cancelled during the year	Balance outstanding			
Directors										
Mr. WONG Kin Yip, Freddie	17 January 2020	1.09	4,587,150	-	-	-	-	4,587,150	17 January 2021 to 16 January 2028	
Ms. WONG Ching Yi, Angela	17 January 2020	1.09	4,587,150	-	-	-	-	4,587,150	17 January 2021 to 16 January 2028	
			<u>9,174,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,174,300</u>		

Notes:

- The vesting period of the share options is from the date of grant until the commencement of the exercisable period.
- The number and/or exercise price of the share options may be subject to adjustment in the case of rights or bonus issues, or other changes in the Company's share capital.
- The total number of options available for grant under the scheme mandate of the Share Option Scheme as at 1 January 2025 and 31 December 2025 was 26,728,000 shares.

Details of the above share options are also set out in note 25 to the consolidated financial statements.

Report of the Directors

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

As at 31 December 2025, 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 SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or notified to the Company and the Stock Exchange pursuant to the Model Code or otherwise, were as follows:

Long positions in the shares and underlying shares of the Company

Name of Directors	Number of ordinary shares	Number of underlying shares	Total	Approximate percentage of the issued voting shares of the Company
	Corporate interest/ Interest of controlled corporations	Personal interest/ Beneficial owner (Note 1)		
Mr. WONG Kin Yip, Freddie	265,525,824 (Note 2)	4,587,150	270,112,974	37.68%
Ms. WONG Ching Yi, Angela	–	4,587,150	4,587,150	0.64%

Notes:

- These underlying shares (being physically settled unlisted derivatives) were held by the Director(s) by virtue of the interests in the share options of the Company granted to him/her. Details of the share options granted by the Company to the above Directors are set out in the section headed "Share Option Scheme" in this Annual Report.
- These shares were held by Sunluck Services Limited which was indirectly wholly-owned by Mr. WONG Kin Yip, Freddie through his wholly-owned company, namely Southern Field Trading Limited.

Save as disclosed above, as at 31 December 2025, 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 by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Report of the Directors

Directors' Rights to Acquire Shares or Debentures

Save as disclosed in this Annual Report, at no time during the year 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 31 December 2025, 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 by the Company under section 336 of the SFO were as follows:

Name of substantial shareholders	Number of ordinary shares/ underlying shares	Holding capacity/ Nature of interest	Approximate percentage of the issued voting shares of the Company
Ms. TANG Mei Lai, Metty (Note 1)	270,112,974 (L)	Interest of spouse/Family interest	37.68%
Southern Field Trading Limited (Note 2)	265,525,824 (L)	Interest of controlled corporation/ Corporate interest	37.04%
Sunluck Services Limited (Note 2)	265,525,824 (L)	Beneficial owner/Beneficial interest	37.04%
Sun Life Financial, Inc. (Note 3)	47,984,100 (L)	Interest of controlled corporations/ Corporate interest	6.69%
Sun Life of Canada (U.S.) Financial Services Holdings, Inc. (Note 3)	47,984,100 (L)	Interest of controlled corporations/ Corporate interest	6.69%
Massachusetts Financial Services Company (Note 3)	42,627,000 (L) 5,357,100 (L)	Investment manager/Other interest Interest of controlled corporations/ Corporate interest	5.94% 0.75%
Moerus Capital Management LLC (Note 4)	38,650,000 (L)	Investment manager/Other interest	5.39%

Remark: (L) – Long Position

Report of the Directors

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

Notes:

1. Such interests comprise (i) 265,525,824 ordinary shares held indirectly by Mr. WONG Kin Yip, Freddie, the spouse of Ms. TANG Mei Lai, Metty; and (ii) 4,587,150 underlying shares (being physically settled unlisted derivatives) held by Mr. WONG Kin Yip, Freddie by virtue of the interests in the share options of the Company granted to him, as disclosed in the sections headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" and "Share Option Scheme" in this Annual Report. Accordingly, Ms. TANG Mei Lai, Metty was deemed to be interested in the same block of ordinary shares and underlying shares of the Company in which Mr. WONG Kin Yip, Freddie was deemed to be interested.
2. The two references to 265,525,824 ordinary shares relate to the same block of ordinary shares of the Company deemed to be interested by Mr. WONG Kin Yip, Freddie as disclosed in the section headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" in this Annual Report. Southern Field Trading Limited was deemed to be interested in such ordinary shares of the Company held by Sunluck Services Limited.
3. Details of the interest in long position of the 47,984,100 ordinary shares in which Sun Life Financial, Inc. ("SLF") was deemed to be interested were as follows:

Massachusetts Financial Services Company ("MFS") was interested in (through itself and its 100% controlled corporations) an aggregate of 47,984,100 ordinary shares. MFS was a 95.62% owned subsidiary of Sun Life of Canada (U.S.) Financial Services Holdings, Inc. ("SLCFS") which was a 99.92% owned subsidiary of Sun Life Financial (U.S.) Investments LLC ("SLF(US)I"). SLF(US)I was an indirect wholly-owned subsidiary of SLF.

MFS was a subsidiary of SLCFS and SLF. Accordingly, SLCFS and SLF were deemed to be interested in the same number of ordinary shares deemed to be interested by MFS.
4. Such long position includes interests in ordinary shares only.

Save as disclosed above, as at 31 December 2025, 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 by the Company under section 336 of the SFO.

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Major Customers and Suppliers

Sales to the Group's five largest customers accounted for less than 30% of the total revenues of the Group during the year ended 31 December 2025. The Group had no major suppliers due to the nature of the principal activities of the Group.

Related Party Transactions

The Group entered into certain transactions with parties regarded as "Related Parties" under applicable accounting principles. The significant related party transactions entered into by the Group during the year set out in note 34 to the consolidated financial statements which constitute non-exempt connected/continuing connected transactions are disclosed in the paragraphs below, in respect of which the relevant disclosure requirements under Chapter 14A of the Listing Rules have been complied with. Save as disclosed in the paragraphs below, the significant related party transactions entered into by the Group during the year set out in note 34 to the consolidated financial statements constitute exempt connected/continuing connected transactions.

Continuing Connected Transactions

The following transactions between certain connected persons (as defined in the Listing Rules) of the Company and the Group were entered into and ongoing during the year for which relevant announcements had been made by the Company in accordance with the Listing Rules.

1. A cross referral services framework agreement (the “Cross Referral Services Framework Agreement (2023)”) was made on 6 December 2023 between the Company and Legend Upstar, an associate of Mr. WONG Kin Yip, Freddie (the Chairman, Executive Director and controlling shareholder of the Company), pursuant to which members of the Group and members of Legend Upstar and its subsidiaries (the “Legend Upstar Group”) may carry on cross referral services transactions in relation to estate agency businesses (the “Cross Referral Transactions”) with each other for a period of three years from 1 January 2024 to 31 December 2026 in compliance with the Listing Rules. Subsequently, as the Board anticipated that the annual caps in respect of the referral fees payable under the Cross Referral Services Framework Agreement (2023) would be insufficient given the stronger-than-expected performance of the estate agency business of the Group, the Company and Legend Upstar agreed to terminate the Cross Referral Services Framework Agreement (2023), and entered into a cross referral services framework agreement (the “Cross Referral Services Framework Agreement (2025)”) on 19 May 2025. Pursuant to the Cross Referral Services Framework Agreement (2025), members of the Group and the Legend Upstar Group may carry on Cross Referral Transactions with each other for a period of three years from 1 January 2025 to 31 December 2027 in compliance with the Listing Rules. The continuing connected transactions as contemplated under the Cross Referral Services Framework Agreement (2025) are essentially referrals of business opportunities in property transactions between members of the Group and the Legend Upstar Group for estate agency services. Each referral is made on a case-by-case basis and is customer-driven. The Cross Referral Services Framework Agreement (2025), the Cross Referral Transactions and the annual caps were approved at the special general meeting of the Company held on 26 June 2025.

Under the Cross Referral Services Framework Agreement (2025), the annual caps in respect of the referral fees to the Legend Upstar Group for the year ended 31 December 2025 and for the two years ending 31 December 2026 and 2027 is HK\$61.0 million each, while the annual caps in respect of the referral fees from the Legend Upstar Group for the year ended 31 December 2025 and for the two years ending 31 December 2026 and 2027 is HK\$241.0 million each.

Details relating to the Cross Referral Services Framework Agreement (2025) and the annual caps were set out in the announcement and circular of the Company dated 19 May 2025 and 3 June 2025 respectively.

The aggregate values of the referral fees to and from the Legend Upstar Group under the Cross Referral Services Framework Agreement (2025) for the year ended 31 December 2025 was approximately HK\$20.4 million and HK\$107.3 million respectively, which had not exceeded the respective cap value for the said year.

Report of the Directors

Continuing Connected Transactions (Continued)

2. A tenancy and licence framework agreement (the “Tenancy and Licence Framework Agreement (2022)”) was made on 19 September 2022 between the Company and Mr. WONG Kin Yip, Freddie (the Chairman, Executive Director and controlling shareholder of the Company). The Tenancy and Licence Framework Agreement (2022) sets out a framework of the terms and conditions governing the tenancy agreements/licence agreements under which relevant members of the landlord entities (being Mr. WONG Kin Yip, Freddie and his associates but excluding the Group and, for the avoidance of doubt, the Legend Upstar Group, as landlords) (the “Landlord Entities”) may let and/or grant licence of, and relevant members of the Group may take up the tenancy and/or licence of, the property(ies) legally and beneficially owned by members of the Landlord Entities from time to time, for a term of three years from 19 September 2022 to 18 September 2025 (both days inclusive). The properties leased/licensed are used as branches and offices of the Group, car parks for staff of the Group, or for marketing and promotion of the property agency business of the Group, in each case in the ordinary and usual course of business of the Group. The annual caps for the period from 19 September 2022 to 31 December 2022, for the two years ended 31 December 2023 and 2024, and for the period from 1 January 2025 to 18 September 2025 are HK\$9.0 million, HK\$18.0 million, HK\$18.0 million and HK\$14.0 million, respectively. Details relating to the Tenancy and Licence Framework Agreement (2022) and the annual caps were set out in the announcement of the Company dated 19 September 2022. There was no tenancy agreements/licence agreements entered into by the Group for the period from 1 January 2025 to 18 September 2025. The total value of right-of-use assets relating to the tenancy agreements/licence agreements entered into by the Group had not exceeded the annual cap for the said period.

3. A tenancy and licence framework agreement (the “Tenancy and Licence Framework Agreement (2025)”) was made on 19 September 2025 between the Company and Mr. WONG Kin Yip, Freddie (the Chairman, Executive Director and controlling shareholder of the Company). The Tenancy and Licence Framework Agreement (2025) sets out a framework of the terms and conditions governing the tenancy agreements/licence agreements under which relevant members of the Landlord Entities may let and/or grant licence of, and relevant members of the Group may take up the tenancy and/or licence of, the property(ies) legally and beneficially owned by members of the Landlord Entities from time to time, for a term of three years from 19 September 2025 to 18 September 2028 (both days inclusive). The properties leased/licensed are used as branches and offices of the Group, car parks for staff of the Group, or for marketing and promotion of the property agency business of the Group, in each case in the ordinary and usual course of business of the Group. The annual caps for the period from 19 September 2025 to 31 December 2025, for the two years ending 31 December 2026 and 2027, and for the period from 1 January 2028 to 18 September 2028 are HK\$8.5 million, HK\$8.0 million, HK\$12.5 million and HK\$14.0 million, respectively. Details relating to the Tenancy and Licence Framework Agreement (2025) and the annual caps were set out in the announcement of the Company dated 19 September 2025. The total value of right-of-use assets relating to the tenancy agreements/licence agreements entered into by the Group for the period from 19 September 2025 to 31 December 2025 was approximately HK\$4.1 million, which had not exceeded the annual cap for the said period.

Report of the Directors

Continuing Connected Transactions (Continued)

The Independent Non-Executive Directors have reviewed the continuing connected transactions mentioned above (the “Continuing Connected Transactions”) pursuant to Rule 14A.55 of the Listing Rules and confirmed that, the Continuing Connected Transactions have been entered into:

- i. in the ordinary and usual course of business of the Group;
- ii. on normal commercial terms or better; and
- iii. according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company’s auditor was engaged to report on the Continuing Connected Transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information”, and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified report containing its findings and conclusions in respect of the Continuing Connected Transactions disclosed on pages 78 to 80 of this Annual Report in accordance with Rule 14A.56 of the Listing Rules.

Retirement Scheme

Details of the Group’s retirement scheme are set out in note 9 to the consolidated financial statements.

Principal Subsidiaries and Joint Ventures

Details of the Company’s principal subsidiaries and joint ventures as at 31 December 2025 are set out in note 36 to the consolidated financial statements.

Borrowings

Particulars of borrowings of the Group as at 31 December 2025 are set out in note 29 to the consolidated financial statements.

Directors’ Emolument Policy

The Company recognises the importance of a formal and transparent policy on determining the remuneration packages of Directors and other remuneration related matters, and adopted a remuneration policy for Directors which aims to ensure that remuneration packages of Directors are appropriate and sufficient to attract and retain high caliber Directors to run the Company successfully and that it aligns with the strategic business goals of the Company. To ensure that the Directors are appropriately remunerated, salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group would be considered. The emoluments of the Executive Directors are reviewed by the Remuneration Committee and determined by the Board, having regard to the Group’s operating results, individual performance and prevailing market condition. The emoluments of the Independent Non-Executive Directors are reviewed by the Remuneration Committee and determined by the Board. No Director or any of his or her associates was involved in deciding his or her own remuneration. The Company has a share option scheme as an incentive to the Directors and eligible employees, details of the scheme are set out in the section headed “Share Option Scheme” and in note 25 to the consolidated financial statements.

Report of the Directors

Directors' Interest in Competing Business

The interests of the Directors in businesses which compete or are likely to compete, directly or indirectly with the businesses of the Group during the year were as follows:

Mr. WONG Kin Yip, Freddie has been appointed as executive director and Chairman of Legend Upstar since October 2019 and is a controlling shareholder of Legend Upstar, and Ms. WONG Ching Yi, Angela held executive directorships in the Legend Upstar Group. Mr. SZE Ka Ming held directorships in the Legend Upstar Group. The Legend Upstar Group is principally engaged in the provision of property agency services in respect of commercial and industrial properties and shops, properties investment, credit business and securities investment in Hong Kong.

As the Board of the Company is independent of the board of directors of Legend Upstar and none of the above Directors can control the Board of the Company, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of the Legend Upstar Group.

Save as disclosed above, none of the Directors had an interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group during the year.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this Annual Report, there is sufficient public float of at least 25% of the total number of issued shares of the Company as required under the Listing Rules.

Auditor

The consolidated financial statements of the Group for the year ended 31 December 2025 have been audited by PricewaterhouseCoopers, auditor of the Company, who shall retire and, being eligible, will offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Midland Holdings Limited

WONG Kin Yip, Freddie

Chairman

Hong Kong, 30 March 2026

Management Discussion and Analysis

FINANCIAL REVIEW

Liquidity and financial resources

The Group mainly finances its business operations with its internal resources and various borrowing facilities.

As at 31 December 2025, the Group had cash and bank balances of HK\$999,455,000 (2024: HK\$711,127,000).

As at 31 December 2025, the Group did not have any interest-bearing borrowings (2024: nil).

The gross gearing ratio, which is calculated on the basis of total borrowings over the total equity of the Group, maintained at zero per cent (2024: zero per cent). The liquidity ratio, which represents a ratio of current assets over current liabilities of the Group, to reflect the adequacy of the financial resources, was 1.4 (2024: 1.2). The return on equity, which is the ratio of profit for the year over the total equity of the Group, was 30.11% (2024: 32.23%).

As at 31 December 2025, the Group has unutilised borrowing facilities amounting to HK\$1,338,000,000 (2024: HK\$1,168,000,000) from various banks. The borrowing facilities were granted to the Group on a floating rate basis. The directors of the Company (the "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.

As at 31 December 2025, certain land and buildings held by the Group of HK\$37,315,000 were pledged to secure banking facilities granted to the Group (2024: nil). Borrowing facilities granted to the Group were secured, inter alia, by floating charge over certain receivables of the Group with carrying value of approximately HK\$2,929,655,000 (2024: HK\$3,286,341,000).

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 Company's subsidiaries in Chinese Mainland 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.

Management Discussion and Analysis

FINANCIAL REVIEW (Continued)

Information on the Group's loan portfolio and money lending business

As at 31 December 2025, the outstanding loan receivables was HK\$6,735,000 included loans to employees of HK\$740,000 (2 cases with different borrowers) and property mortgage loans granted to customer in Hong Kong of HK\$5,995,000 (1 case).

As at 31 December 2024, the outstanding loan receivables was HK\$413,000 represented loans to employees. The outstanding loan balance involved 5 cases with different borrowers.

As at 31 December 2025, the largest outstanding loan receivable was HK\$5,995,000 (representing approximately 89% of the outstanding loan portfolio as a whole) and was secured by first mortgage over a residential property, with loan to value ratio of 38%. No impairment loss on loan amount was made during the year (2024: HK\$368,000).

The credit business of the Group is operated by Midland Credit Limited ("Midland Credit"), the Group's money lending unit.

All loans advanced by Midland Credit are subject to approval on a case-by-case basis by a credit committee, which comprises members of the senior management who possess expertise in the property and financing fields.

In general, each loan application must go through three stages before granting to the borrower, namely (i) document collection and verification; (ii) credit risk assessment; and (iii) approval of the credit committee.

The credit risk assessment is based on the financial strength and repayment ability of the borrower, the collateral provided, prevailing market and competitive conditions and interest rate environment.

Interest rates on loans are offered based on the assessed degree of credit risks, loan period, loan amount, availability of funds, and any other relevant business relationships with the borrower.

The Group manages its loan portfolio to minimise concentration by the relationship between borrowers to maintain a diversified client base and lessen credit risk exposures. Midland Credit's collection team will conduct periodic review of its portfolio to monitor risks of default.

Management Discussion and Analysis

FINANCIAL REVIEW (Continued)

Contingent liabilities

In November 2023, the Competition Commission (the “Commission”) commenced proceedings at the Competition Tribunal (the “Tribunal Proceedings”) against the Company and certain subsidiaries and officers of the Group (the “Respondents”) alleging their contravention and/or involvement in contravention of the First Conduct Rule of the Competition Ordinance (Cap. 619 of the Laws of Hong Kong) during the period allegedly from late 2022 to early 2023.

As advised by the legal advisors of the Group, the Tribunal Proceedings are currently subject to judicial challenge due to two parallel applications of Judicial Review (the “JR Application”) and Permanent Stay of Proceedings (the “Stay Application”) lodged by the Company and its two subsidiaries against the Commission on 18 March 2024. Leave for the JR Application was granted by the High Court on 20 March 2024 after the application.

The substantive hearing for both the JR Application and the Stay Application took place on 8 and 9 August 2024, and the outcome of these two applications would have a significant impact on the Tribunal Proceedings, including permanent stay or dismissal of the whole case. The High Court previously indicated that the judgment of the JR Application and the Stay Application (the “Judgment”) would be handed down by 31 March 2026. Recently, the High Court has informed the parties that the Judgment will only be available by 29 May 2026. It should also be noted that this date is subject to a potential extension depending on the schedule of the Court and other factors.

On the other hand, the Tribunal Proceedings are still at an early stage, and the Respondents are not required to file their defence documents or any other pleadings pending the outcome of the JR Application and the Stay Application. Further, due to the uncertain impact of the Judgment, the Competition Tribunal has previously approved to vacate the trial dates of the Tribunal Proceedings (originally scheduled in third quarter of 2025) upon joint application of the parties. If a trial is eventually required, it shall be refixed upon seeking further directions from the Competition Tribunal after receiving the Judgment.

In addition to pursuing the JR Application and the Stay Application, the Company shall continue to defend the Tribunal Proceedings (if any) vigorously. As such, it is not practicable to make a sufficiently reliable estimation of the potential liability (if any) due to the high degree of uncertainty of the whole case. Taking into account all relevant circumstances, no provision is made in the consolidated financial statements of the Group as at 31 December 2025.

Apart from the above disclosed, 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 consolidated 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 resources is probable.

Employee information

As at 31 December 2025, the Group employed 4,781 full time employees (2024: 4,593) of which 4,147 were sales agents, 416 were back office supportive employees and 218 were frontline supportive employees.

The emolument policy regarding the employees of the Group is 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.

Independent Auditor's Report



To the Shareholders of Midland Holdings Limited

(incorporated in Bermuda with limited liability)

Opinion

What we have audited

The consolidated financial statements of Midland Holdings Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 90 to 158, comprise:

- the consolidated balance sheet as at 31 December 2025;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independent Auditor's Report

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Revenue recognition for property agency fee in Hong Kong
- Expected credit loss allowance for trade receivables and contract assets in Hong Kong

Key Audit Matters	How our audit addressed the Key Audit Matters
<p><i>Revenue recognition for property agency fees in Hong Kong</i></p> <p>Refer to notes 3(l), 5(a) and (6) to the consolidated financial statements.</p> <p>Revenue from the property agency business in Hong Kong contributed a significant portion of the Group's total reported revenue.</p> <p>Property agency fees includes an element of consideration that is variable or contingent on the occurrence or non-occurrence of future events, including the risk of fallen through, price concession based on customary industry practice and different payment plans chosen by property buyers, which give rise to discounts and price concession. Management estimated the amount of variable consideration included in the transaction price only to the extent that it is highly probable, that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.</p> <p>We focused on this area because of the significance of the property agency fee in Hong Kong and the estimation of the variable consideration is inherently subjective and requires significant judgement, which increase the risk or potential management bias.</p>	<p>Our key procedures in relation to the revenue recognition for property agency fees in Hong Kong included:</p> <ul style="list-style-type: none"> • We obtained an understanding of management's internal control and process of revenue recognition for property agency fees in Hong Kong and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors; • We evaluated and tested the key controls over revenue recognition for property agency fees in Hong Kong; • We tested, on a sample basis, the revenue recognition by examining the relevant supporting documents; • We evaluated management's assessment on the determination of variable consideration, and the outcome of prior period assessment of revenue recognition to assess the effectiveness of management's estimation process; • We assessed the reasonableness of management's estimates used to determine variable consideration by considering various factors such as past experience on similar transaction and other relevant market information; and • We tested, on a sample basis, the data used in the calculation of the variable consideration to relevant supporting document. <p>Based on the procedures performed, we considered that the estimations made by management on the revenue recognition for property agency fees in Hong Kong were supported in light of available evidence.</p>

Independent Auditor's Report

Key Audit Matters (Continued)

Key Audit Matters	How our audit addressed the Key Audit Matters
<p><i>Expected credit loss allowance for trade receivables and contract assets in Hong Kong</i></p> <p>Refer to notes 3(e), 4(a)(i), 5(b) and 23 to the consolidated financial statements.</p> <p>Trade receivables and contract assets from the property agency business in Hong Kong contributed a significant portion of the Group's total trade receivables and contract assets.</p> <p>Management applied the HKFRS 9 simplified approach to measure lifetime expected credit loss ("ECL") allowance for all trade receivables and contract assets. The Group measured the expected credit losses on an individual and a collective basis. Management identified trade receivables and contract assets with impairment indicators with reference to the completion status of related property transactions and the market conditions, and made ECL allowance for these trade receivables and contract assets accordingly. Management grouped the remaining trade receivables and contract assets with similar credit risk characteristics, and applied ECL rates to the respective trade receivables and contract assets. ECL rates are derived based on latest completed historical payment profile of sales from 12 to 36 months and the corresponding historical credit losses experience within that period. The ECL rates are adjusted to reflect the current and forward-looking information on macroeconomic factors when they are considered relevant to determine the ability of customers to settle the receivables in the future.</p> <p>We focused on this area because the estimation of ECL allowance involved a significant level of judgement by management to determine the use of internal and external data from various sources to establish the historical credit loss experience and to adjust this experience for expected future changes, recognising that these factors are all subject to a certain level of uncertainty.</p>	<p>Our key procedures in relation to management's assessment of ECL allowance for trade receivables and contract assets in Hong Kong included:</p> <ul style="list-style-type: none"> • We obtained an understanding of management's internal control and process for the estimation of ECL allowance for trade receivables and contract assets in Hong Kong and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the level of other inherent risk factors; • We evaluated and tested the key controls performed by management over the estimation of ECL allowance for trade receivables and contract assets in Hong Kong; • We assessed the appropriateness of the expected loss provisioning methodology in determining the ECL allowance; • For expected credit losses of trade receivables and contract assets assessed collectively, we evaluated the appropriateness of the management's grouping of the trade receivables and contract assets based on their market segments, locations and the credit risk characteristic; • We tested, on a sample basis, of the accuracy of the aging report of trade receivables and contract assets to relevant documents; • We challenged the inputs, assumptions and estimation techniques, including independent research on credit information, historical credit loss rates and forward-looking information, used in determining the ECL allowance; and • We recomputed the historical credit loss rate calculation and evaluated the appropriateness and tested the accuracy of the major data inputs including historical settlement pattern of trade receivables and contract assets used in the ECL models, on a sample basis, to the Group's accounting records. <p>Based on the results of the procedures performed, we considered that management's judgement and assumptions applied in assessing the ECL allowance for trade receivables and contract assets in Hong Kong were supported by available evidence.</p>

Independent Auditor's Report

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Chan Tak Wai, Daniel (practising certificate number : P06135).

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 30 March 2026

Consolidated Income Statement

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Revenues	6	5,498,926	6,084,239
Other losses, net	8	(567)	(2,572)
Commission split		(2,078,292)	(2,697,600)
Staff costs	9	(2,304,377)	(2,273,433)
Advertising and promotion expenses		(101,359)	(94,919)
Operating lease charges in respect of office and shop premises	17(b)	(21,045)	(29,663)
Depreciation of right-of-use assets	17(b)	(253,028)	(285,606)
Depreciation of property and equipment	16	(22,428)	(33,334)
Net impairment losses on financial assets and contract assets		(14,285)	(69,186)
Other operating costs	11	(206,116)	(213,340)
Operating profit		497,429	384,586
Bank interest income	12	2,170	5,647
Interest on bank borrowings, overdrafts and other borrowings	12	(2,278)	(13,749)
Interest on lease liabilities	12	(14,610)	(13,816)
Share of results of joint ventures	19	14,342	8,268
Profit before income tax		497,053	370,936
Income tax expense	13	(74,371)	(50,613)
Profit for the year attributable to equity holders of the Company		422,682	320,323
		HK cents	HK cents
Proposed dividend per ordinary share	14		
Final dividend		6.0	–
Special dividend		3.0	–
		HK cents	HK cents
Earnings per share	15		
Basic		58.96	44.67
Diluted		58.74	44.67

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
Profit for the year	422,682	320,323
Other comprehensive (loss)/income		
<i>Items that will not be reclassified to profit or loss</i>		
Change in fair value of financial assets at fair value through other comprehensive income	(39)	46
Remeasurement of post-employment benefit obligation	(9,515)	7,716
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	(3,003)	8,438
Other comprehensive (loss)/income for the year, net of tax	(12,557)	16,200
Total comprehensive income for the year attributable to equity holders of the Company, net of tax	410,125	336,523

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

As at 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
ASSETS			
Non-current assets			
Property and equipment	16	79,644	93,635
Right-of-use assets	17(a)	280,868	205,097
Investment properties	18	22,778	25,436
Interests in joint ventures	19	26,240	19,938
Financial assets at fair value through other comprehensive income	20	40	512
Deferred tax assets	27	22,586	25,390
Loan receivables	22	740	220
Other non-current asset	21	10,110	10,110
		443,006	380,338
Current assets			
Trade receivables, contract assets and other receivables	23	3,250,028	3,616,173
Tax recoverable		383	478
Loan receivables	22	5,995	193
Cash and bank balances	24	999,455	711,127
		4,255,861	4,327,971
Total assets		4,698,867	4,708,309
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	25	71,690	71,709
Share premium	25	222,097	222,235
Reserves	26	1,109,895	699,770
Total equity		1,403,682	993,714
LIABILITIES			
Non-current liabilities			
Other payables and accruals	28	61,976	37,683
Deferred tax liabilities	27	5,965	6,153
Lease liabilities	17(a)	90,648	58,708
		158,589	102,544
Current liabilities			
Trade and other payables	28	2,903,796	3,443,571
Lease liabilities	17(a)	208,695	164,034
Current income tax liabilities		24,105	4,446
		3,136,596	3,612,051
Total liabilities		3,295,185	3,714,595
Total equity and liabilities		4,698,867	4,708,309

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The consolidated financial statements on pages 90 to 158 were approved by the Board of Directors on 30 March 2026 and were signed on its behalf.

WONG Ching Yi, Angela

Director

SZE Ka Ming

Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital HK\$'000	Share premium HK\$'000	Reserves HK\$'000 (note 26)	Total HK\$'000
At 1 January 2025	71,709	222,235	699,770	993,714
Comprehensive income				
Profit for the year	–	–	422,682	422,682
Other comprehensive loss				
Change in fair value of financial assets at fair value through other comprehensive income	–	–	(39)	(39)
Remeasurement of post-employment benefit obligation	–	–	(9,515)	(9,515)
Currency translation differences	–	–	(3,003)	(3,003)
Total comprehensive income	–	–	410,125	410,125
Transaction with owners				
Cancellation of shares repurchased	(19)	(138)	–	(157)
At 31 December 2025	71,690	222,097	1,109,895	1,403,682
At 1 January 2024	71,709	222,235	363,247	657,191
Comprehensive income				
Profit for the year	–	–	320,323	320,323
Other comprehensive income				
Change in fair value of financial assets at fair value through other comprehensive income	–	–	46	46
Remeasurement of post-employment benefit obligation	–	–	7,716	7,716
Currency translation differences	–	–	8,438	8,438
Total comprehensive income	–	–	336,523	336,523
At 31 December 2024	71,709	222,235	699,770	993,714

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities			
Net cash generated from operations	30(a)	607,521	681,615
Hong Kong and overseas profits tax paid		(50,557)	(9,455)
Borrowings and overdrafts interest paid	12	(2,278)	(13,749)
Interest element of lease payments	12	(14,610)	(13,816)
Net cash inflow from operating activities		540,076	644,595
Cash flows from investing activities			
Purchase of property and equipment	16	(8,915)	(8,392)
Net proceeds from disposal of property and equipment		–	30
Return of capital from financial assets at fair value through other comprehensive income		433	202
Bank interest received	12	2,170	5,647
Dividends received from joint ventures	19	8,040	–
Net cash inflow/(outflow) from investing activities		1,728	(2,513)
Cash flows from financing activities			
Purchase of own shares	25	(157)	–
Principal element of lease payments	30(b)	(256,046)	(295,917)
Repayment of borrowings	30(b)	(640,000)	(1,225,883)
Proceeds from borrowings	30(b)	640,000	1,059,500
Net cash outflow from financing activities		(256,203)	(462,300)
Net increase in cash and cash equivalents			
Cash and cash equivalents at 1 January		711,127	532,147
Exchange differences		491	(802)
Cash and cash equivalents at 31 December	24	997,219	711,127

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

1 General information

Midland Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, 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 Company and its subsidiaries (together, the “Group”) are the provision of property agency services in Hong Kong, Chinese Mainland and Macau, property leasing, immigration consultancy services and money lending services.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

These consolidated financial statements have been approved by the board of directors (the “Board”) on 30 March 2026.

2 Basis of preparation

2.1 Compliance with HKFRS Accounting Standards and Hong Kong Companies Ordinance

The consolidated financial statements of the Company have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 5 below.

2.2 Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets at fair value through other comprehensive income, which are carried at fair values.

2.3 Amended standards effective in 2025

The adoption of the amended standards does not have a material impact on the Group’s results of operations or financial position.

2.4 New and amended standards and interpretations which are not yet effective

The Group has not early applied the new and amended standards and interpretations that have been issued but not yet effective. HKFRS 18 introduces new presentation requirements in the consolidated income statement, including among others, the classification of income and expenses items by categories, specific totals and subtotals. It also sets out new requirements on management-defined performance measures, as well as aggregation and disaggregation of financial information. The standard is expected to change the presentation and disclosures of the Group’s consolidated financial statements but is not expected to impact the financial position or net results of the Group. The adoption of the remaining new and amended standards and interpretations is not expected to have a material impact on the Group’s results of operations or financial position.

Notes to the Consolidated Financial Statements

3 Summary of material accounting policy information

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation and accumulated impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Leasehold land commences amortisation from the time when the land interest becomes available for its intended use. Depreciation on leasehold land and other property and equipment are calculated using the straight-line method to allocate their costs or revalued amounts to their residual values over their estimated useful lives, as follows:

Leasehold land	Over the period of the lease
Buildings	50 years
Leasehold improvements	Over the period of the lease
Furniture and fixtures	4 years
Office equipment	4 years
Motor vehicles	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Gain and loss on disposals are determined by comparing proceeds with carrying amount and are recognised within other operating costs, in the consolidated income statement.

(b) Investment properties

Properties that are held for long-term rental yield or for capital appreciation or both, and that are not occupied by the Group, are classified as investment properties. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met.

Investment properties are measured initially at its cost, including related transaction costs. After initial recognition, investment properties are carried at fair value, representing estimated open market value determined at each reporting date by qualified valuers. The market value of each property is calculated 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 valuer's interpretation of prevailing investor requirements or expectations. Changes in fair values are recognised in the consolidated income statement as part of other income or other losses.

Subsequent expenditure is charged to the carrying amount of the properties only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

3 Summary of material accounting policy information (Continued)

(c) Impairment of investments in joint ventures and non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

Impairment testing of the investments in joint ventures is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the joint venture in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(d) Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

3 Summary of material accounting policy information (Continued)

(d) Financial assets (Continued)

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- amortised cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.
- FVOCI: assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses and impairment expenses are presented as separate line item in the consolidated income statement.
- FVPL: assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Notes to the Consolidated Financial Statements

3 Summary of material accounting policy information (Continued)

(d) Financial assets (Continued)

(iii) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses ("ECLs") associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. See note 4(a)(i) for further details.

(e) Trade receivables, contract assets and other receivables

Trade receivables and contract assets are amounts due from customers for services rendered in the ordinary course of business. If collection of trade receivables, contract assets and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

A contract asset is the entity's right to consideration in exchange for goods or services that the entity has transferred to the customer. A contract asset becomes a receivable when the entity's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due.

The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 4(a)(i).

(f) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3 Summary of material accounting policy information (Continued)

(g) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the financial year. They are recognised initially at their fair values and subsequently measured at amortised cost using the effective interest method.

(h) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated income statement as finance cost.

(i) Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company, its subsidiaries and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

3 Summary of material accounting policy information (Continued)

(i) Current and deferred income tax (Continued)

Deferred tax assets are recognised only if it is probable that future taxable profit amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(j) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

(ii) Post-employment obligations

The Group operates various post-employment schemes, including defined contribution retirement scheme and defined benefit scheme.

For defined contribution retirement scheme, contributions are available to all employees calculated at rates specified in the rules of the schemes, are charged to the consolidated income statement when the contributions are payable to the fund.

For defined benefit scheme, the Group's net obligation in respect of long service payment ("LSP") to its employees in Hong Kong upon cessation of their employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefits that the employees have earned in return for their services in the current and prior periods.

3 Summary of material accounting policy information (Continued)

(j) Employee benefits (Continued)

(ii) Post-employment obligations (Continued)

The obligation is calculated using the projected unit credit cost method, discounted to its present value and reduced by entitlements accrued under the Group's retirement schemes that are attributed to contributions made by the Group. The discount rate is the yield at each balance sheet date of Hong Kong Government's Exchange Fund Notes which have terms to maturity approximating the terms of the related liability. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans.

The current service cost of the defined benefit plan, recognised in the consolidated income statement in employee benefit expense reflects the increase in the defined benefit obligation results from employee service in the current year, benefit changes, curtailments and settlements.

Past-service costs are recognised immediately in the consolidated income statement.

The interest expenses are calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the consolidated income statement.

Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Change in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised in profit or loss.

In June 2022, the Government of the Hong Kong Special Administrative Region enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") which will be effective from 1 May 2025 (the "Transition Date"). Under the Amendment Ordinance, any accrued benefits attributable to the employer's mandatory contributions under mandatory provident fund scheme of an entity would no longer be eligible to offset against its obligations on LSP for the portion of the LSP accrued on or after the Transition Date. There is also a change in the calculation basis of last monthly wages for the portion of the LSP accrued before the Transition Date. The Group has adopted the abovementioned change in accounting policy during the year ended 31 December 2022.

The liabilities for LSP that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service.

Notes to the Consolidated Financial Statements

3 Summary of material accounting policy information (Continued)

(j) Employee benefits (Continued)

(iii) Share-based payment

Equity-settled share-based payment transactions

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the profit or loss account, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (and share premium).

Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

3 Summary of material accounting policy information (Continued)

(k) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance costs.

(l) Revenue recognition

Income is classified by the Group as revenue when it arises from the provision of property agency services, immigration consultancy services, money lending services or the use by others of the Group's assets under leases in the ordinary course of the activities of the Group.

Revenue excludes value added taxes and is after deduction of any trade discounts.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Agency fee from property agency business

Agency fee from property agency business is recognised when the services are rendered which is generally the time when the transacting parties first come into an agreement. At that time, the Group recognises revenue after taking into account the variable consideration arising from discounts and price concession as mentioned below.

Revenue from agency business include an element of consideration that is variable or contingent on the outcome of future events, including the risk of fallen through, price concession based on customary industry practice and payment plans chosen by the buyers, which give rise to discounts and price concession.

The Group uses an expected value approach to estimate variable consideration. In order to assess the variable consideration, the Group based on the past experience on similar transactions and all reasonably available information to determine the expected consideration that the Group will be entitled.

This estimated amount of variable consideration will be included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(ii) Revenue from immigration consultancy services

Revenue from immigration consultancy services is recognised on a success basis, i.e. when the relevant application for immigration is approved.

Notes to the Consolidated Financial Statements

3 Summary of material accounting policy information (Continued)

(l) Revenue recognition (Continued)

- (iii) Income from operating leases

Operating lease rental income is recognised on a straight-line basis over the lease term.

- (iv) Income from web advertising and other services income

Web advertising income and other services income including income from property valuation, other advertising and referral services are recognised when services are rendered.

- (v) Interest income from loan receivables and bank interest income

Interest income from loan receivables and bank interest income are recognised on a time proportion basis using the effective interest method.

(m) Leases

The Group leases various properties including offices and shop premises. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and the corresponding liabilities at the dates at which the leased assets are available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to consolidated income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for lease of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

3 Summary of material accounting policy information (Continued)

(m) Leases (Continued)

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- any restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

Lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of its original terms and conditions. After the commencement date, the Group remeasures the lease liability to reflect any lease modification using the interest rate implicit in the lease for the remainder of the lease term. If that rate cannot be determined, the lessee's incremental borrowing rate at the effective date of the lease modification is used. The Group adjusts the carrying amount of the right-of-use asset for the remeasurement of the lease liability. If the carrying amount of the right-of-use asset has already been reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

Notes to the Consolidated Financial Statements

3 Summary of material accounting policy information (Continued)

(n) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

4 Financial risk management

(a) Financial risk factors

The Group's activities expose it to credit risk, foreign exchange risk and liquidity risk. The Group's overall risk management programme of the Group focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group has not used derivative financial instruments to hedge its risk exposures to changes in foreign exchange risk and interest rate risks.

(i) Credit risk

The Group is exposed to credit risk in relation to its cash and bank balances, loan receivables, trade and other receivables, contract assets and financial assets at fair value through other comprehensive income. The Group's maximum exposure to credit risk is the carrying amounts of these financial assets.

Risk management

To mitigate the risk arising from banks, the Group has adopted the diversification of bank deposits and places its deposits to certain reputable banks (diversification of bank deposits). Management therefore considers that the Group has limited credit risk with its cash and bank balances.

Management has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, management reviews regularly the recoverable amount of each individual loan receivable, trade receivable and contract asset by taking into account of the market conditions, customers' profiles, value of the collaterals and contractual terms to ensure that adequate impairment is made for the irrecoverable amounts.

For loan receivables, the Group mitigates credit risk by credit protection provided by collaterals.

Notes to the Consolidated Financial Statements

4 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(i) Credit risk (Continued)

Impairment of financial assets and contract assets

The Group's loan receivables, trade receivables, contract assets and other receivables are subjected to the expected credit loss model ("ECL model"). While cash and cash equivalents and other financial assets at amortised cost are also subject to the impairment requirements of HKFRS 9 "Financial Instruments", the identified impairment loss was immaterial.

ECLs are measured on lifetime basis that these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the followings bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- Lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loan receivables

The Group applies the HKFRS 9 general approach to measure ECLs for loan receivables.

To measure the ECLs, the Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant changes in the employment status of the borrower
- significant changes in the value of the collateral supporting the obligation
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

As at 31 December 2025, majority of the loan receivables consisted of first charge mortgage on real estate in Hong Kong. The loan to value ratio, which was calculated as the carrying amount of the loan receivables at the balance sheet date as a percentage of the estimated current value of collateral at 38%. Valuations were updated on a regular basis and more frequently when market conditions were subject to significant change or where a loan was identified and assessed as impaired.

As at 31 December 2024, the loan receivables consisted of loans to employees only.

The Group considered the probability of default and fair value of the collateral less cost of disposal. As at 31 December 2025, the Group recognised loss allowances of HK\$336,000 (2024: HK\$368,000).

Notes to the Consolidated Financial Statements

4 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(i) Credit risk (Continued)

Impairment of financial assets and contract assets (Continued)

Trade receivables and contract assets

The Group applied the HKFRS 9 simplified approach to measure ECLs which uses a lifetime ECLs for trade receivables and contract assets.

To measure the ECLs, the trade receivables and contract assets have been grouped into categories for shared credit risk characteristics:

- primary properties market transactions
- other transactions

For trade receivables and contract assets from primary properties market transactions, the counterparties are primarily property developers. The management assesses the ECLs with reference to the background and liquidity of the property developers as well as the forecast market condition as of the reporting date.

When there is an impairment indicator identified for property developers of primary properties market transactions with reference to management knowledge about the customers and the market conditions, the loss allowances for these trade receivables and contract assets are assessed based on the relevant trade receivable and contract assets balance and the expected loss rates that derived by reference to various factors including property developers' fulfillment on payment terms, liquidity of property developers, credit rating analysis and external default data with appropriate forward-looking adjustment, if any. Accordingly, as at 31 December 2025, the Group recognised loss allowances of HK\$100,129,000 (2024: HK\$100,389,000).

For trade receivables from other transactions, the counterparties are primarily individuals. When there is an objective evidence, individual assessment on ECLs is performed by considering the completion status of related transactions and measured at an amount equal to lifetime ECLs. Accordingly, as at 31 December 2025, the Group recognised loss allowances of HK\$36,218,000 (2024: HK\$35,542,000).

For the remaining trade receivables and contract assets with no objective evidence available without undue cost to measure the lifetime ECLs, they have been grouped based on the ageing profile or geographical region. The expected loss rates are based on external default data of the customers or customers of similar characteristics; or the latest completed historical payment profile of sales over a period of 12-36 months and the corresponding historical credit losses experienced within that period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables, if any.

Notes to the Consolidated Financial Statements

4 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(i) Credit risk (Continued)

Impairment of financial assets and contract assets (Continued)

Trade receivables and contract assets (Continued)

On these bases, the loss allowances for these trade receivables and contract assets as at the end of the reporting periods were determined as follows:

As at 31 December 2025

	Expected loss rate %	Gross carrying amount HK\$'000	Loss allowances		
			Individually assessed HK\$'000	Collectively assessed HK\$'000	Total HK\$'000
Contract assets	0.1%-0.4%	1,920,992	(31,933)	(2,395)	(34,328)
Trade receivables					
Current (not yet due)	0.1%-56.5%	1,104,931	(5,871)	(4,820)	(10,691)
Less than 31 days past due	0.1%-1.0%	54,678	(368)	(360)	(728)
31-60 days past due	0.1%-18.0%	27,110	–	(442)	(442)
61-90 days past due	0.1%-16.6%	11,870	(181)	(591)	(772)
More than 90 days past due	0.1%-41.1%	129,206	(97,994)	(1,922)	(99,916)
		3,248,787	(136,347)	(10,530)	(146,877)

As at 31 December 2024

	Expected loss rate %	Gross carrying amount HK\$'000	Loss allowances		
			Individually assessed HK\$'000	Collectively assessed HK\$'000	Total HK\$'000
Contract assets	0.5%-25.1%	2,586,198	(30,556)	(3,731)	(34,287)
Trade receivables					
Current (not yet due)	0.5%-23.9%	791,681	(1,844)	(2,558)	(4,402)
Less than 31 days past due	0.8%-8.5%	44,334	(286)	(215)	(501)
31-60 days past due	1.5%-15.4%	22,421	(444)	(611)	(1,055)
61-90 days past due	17.3%-31.3%	8,464	(333)	(564)	(897)
More than 90 days past due	2.2%-100.0%	128,671	(102,468)	(7,624)	(110,092)
		3,581,769	(135,931)	(15,303)	(151,234)

Note: The customers are obliged to settle the amounts due upon the completion of transactions or pursuant to the terms and conditions of the relevant agreements.

The loss allowances provided for trade receivables and contract assets not yet due includes the credit risk arising from bad debts and fallen through transactions.

The loss allowances provided for overdue trade receivables includes only the credit risk arising from bad debts.

Notes to the Consolidated Financial Statements

4 Financial risk management (Continued)**(a) Financial risk factors (Continued)**

(i) Credit risk (Continued)

Impairment of financial assets and contract assets (Continued)

Trade receivables and contract assets (Continued)

Movements in the provision for impairment of trade receivables and contract assets are as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	151,234	108,535
Provision for impairment	14,317	68,818
Receivables written off during the year as uncollectible	(21,208)	(24,051)
Exchange difference	2,534	(2,068)
At 31 December	146,877	151,234

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery.

Impairment losses on trade receivables and contract assets are presented as net impairment losses on financial assets and contract assets in the consolidated income statement. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets at amortised cost

For other financial assets at amortised cost, including deposits and other receivables, management considers that its credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month ECLs which is close to zero.

Impairment losses on other financial assets are presented as net impairment losses on financial assets and contract assets within consolidated income statement. Subsequent recoveries of amounts previously written off are credited against the same line item.

4 Financial risk management (Continued)

(a) Financial risk factors (Continued)

(ii) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group currently does not have a foreign currency hedging policy and has not used any forward contracts, currency borrowings or other means to hedge its foreign currency exposure. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

The Group's transactions mainly denominated in HK\$ and Renminbi ("RMB") which may be different from the functional currency of the transacting entity, and the Group's assets and liabilities in Chinese Mainland are primarily denominated in RMB. Accordingly, the Group is exposed to foreign currency exchange risk.

As at 31 December 2025, if HK\$ had weakened or strengthened by 5% (2024: 5%) against RMB with all other variables held constant, the Group's profit after income tax would have been approximately HK\$141,000 higher or lower (2024: HK\$20,000 higher or lower) and other comprehensive income would have been approximately HK\$2,073,000 lower or higher (2024: HK\$4,492,000 lower or higher).

(iii) Liquidity risk

The Group maintains its own treasury function (the "Group Finance") to monitor the current and expected liquidity requirements and aims to maintain flexibility by keeping sufficient cash and cash equivalents generated from operations and draw down of borrowings. Cash flow forecast is performed in the operating entities of the Group and aggregated by the Group Finance. The Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient head-room on its undrawn facilities (note 29) at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Surplus cash held by the operating entities over and above the balance required for working capital management are transferred to the treasury centre of the Group. The Group Finance invests surplus cash in interest bearing time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room for the Group to meet the liquidity requirements. At 31 December 2025, the Group held cash and bank balances of HK\$999,455,000 (2024: HK\$711,127,000).

Notes to the Consolidated Financial Statements

4 Financial risk management (Continued)**(a) Financial risk factors (Continued)**

(iii) Liquidity risk (Continued)

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities based on undiscounted cash flows and the earliest date the Group can be required to pay. Balances due within twelve months equal their carrying balances (including both interest and principal) as the impact of discounting is not significant.

	On demand HK\$'000	Less than 1 year HK\$'000	1-5 years HK\$'000	Total contractual undiscounted cash flows HK\$'000	Total carrying amount HK\$'000
At 31 December 2025					
Trade and other payables	–	2,397,510	526,557	2,924,067	2,924,067
Lease liabilities and interest payments	–	217,458	92,178	309,636	299,343
	–	2,614,968	618,735	3,233,703	3,223,410
At 31 December 2024					
Trade and other payables	–	2,768,575	685,712	3,454,287	3,454,269
Lease liabilities and interest payments	–	170,824	60,337	231,161	222,742
	–	2,939,399	746,049	3,685,448	3,677,011

(b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of equity attributable to the equity holders and borrowings. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, repurchase of shares from shareholders or raise funding through borrowings as necessary.

The Group monitors capital on the basis of the gearing ratio and the current ratio.

Notes to the Consolidated Financial Statements

4 Financial risk management (Continued)**(b) Capital risk management (Continued)**

The gross gearing ratio is calculated as total borrowings divided by total equity. The gross gearing ratio at 31 December 2025 and 2024 were as follows:

	2025 HK\$'000	2024 HK\$'000
Total borrowings	–	–
Total equity	1,403,682	993,714
Gross gearing ratio	0%	0%

The current ratio of the Group, which represents a ratio of current assets over current liabilities, at 31 December 2025 and 2024 were as follows:

	2025 HK\$'000	2024 HK\$'000
Current assets	4,255,861	4,327,971
Current liabilities	3,136,596	3,612,051
Current ratio	1.4	1.2

The current ratio of the Group is maintained at a stable level.

(c) Fair value estimation

The carrying amounts of the financial assets of the Group, including cash and bank balances, trade and other receivables, loan receivables and financial assets at fair value through other comprehensive income; and financial liabilities including trade and other payables and lease liabilities approximate their fair values due to their short-term maturities. Other payables and lease liabilities that are expected to be settled more than 12 months after reporting date are initially measured on a present value basis by discounting the balance to net present value using the Group's incremental borrowing rate.

Notes to the Consolidated Financial Statements

4 Financial risk management (Continued)**(c) Fair value estimation (Continued)**

The financial instruments are measured in the consolidated balance sheet at fair value, by level of the following fair value measurement hierarchy:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- (ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- (iii) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following tables present the Group's financial instruments that are measured at fair value:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
As at 31 December 2025				
Assets				
Financial assets at fair value through other comprehensive income	–	40	–	40
As at 31 December 2024				
Assets				
Financial assets at fair value through other comprehensive income	–	512	–	512

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques, such as quoted market prices or dealer quotes for similar instruments, or discounted cash flow analysis. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between levels 1, 2 and 3 during the year.

The fair value estimation of investment properties is disclosed in note 18 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The judgements in applying the Group's accounting policies, and estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Revenue recognition

Management reviews sales transactions to determine whether it is probable that future economic benefits arising from the sales transactions would flow to the Group taking into account the variable consideration in the transaction price.

Agency fee from property agency business is recognised as revenue when the services are rendered which is generally the time when the transacting parties first enter into an agreement. However, such revenue will be subject to variations as a result of, for example, trade discounts and price concessions which are common in the industry, resulting in variable consideration.

Variable consideration arises in revenue of agency business due to price variables and uncertainties of the outcome of future events, which affect the Group's determination of the amount of the revenue. Common examples of such price variables and uncertainties include the risk of transactions fallen through, price concessions made by the Group based on customary industry practice and different payment plans chosen by the buyers, which give rise to discounts and price concessions.

Pursuant to the HKFRS 15, the Group adopts an expected value approach to estimate variable consideration for inclusion in the transaction price. In order to assess the variable consideration, the Group takes into account the past experience on similar transactions and all reasonably available information to determine estimated recoverable rates in assessing the expected consideration to which the Group will be entitled.

This estimated amount of variable consideration will be included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved in the future.

Notes to the Consolidated Financial Statements

5 Critical accounting estimates and judgements (Continued)

(b) Impairment of trade receivables and contract assets

Management reviews regularly the recoverable amount of each individually significant trade receivable and contract asset to ensure that adequate impairment is made for the irrecoverable amounts. The measurement of impairment losses under HKFRS 9 requires judgement, in particular, management assesses the recoverable amount of each individually significant trade receivable and contract asset whether there is objective evidence that the trade receivable and contract asset is impaired. This evidence may include observable data indicating that there has been an adverse change in the payment status of the debtors and the local economic conditions that correlate with the potential risk of impairment on the transactions. For the remaining trade receivables and contract assets which no objective evidence is available, the impairment is determined based on external default data of the customers or customers of similar characteristics, or are derived based on the latest completed historical payment profile of sales over a period of 12-36 months and the corresponding historical credit losses experience within that period.

Management reassesses the provision for impairment at each balance sheet date.

(c) Fair value of investment properties

The fair value of investment properties is determined by using valuation techniques. Details of the judgement and assumptions used in the valuation have been disclosed in note 18 to the consolidated financial statements.

(d) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

Deferred taxation relating to temporary differences and tax losses are recognised as management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and liabilities and income tax charges in the periods in which such estimate is changed.

(e) Impairment of right-of-use assets and property and equipment

Internal and external sources of information are reviewed at the end of each reporting period to assess whether there is any indication that right-of-use assets and property and equipment may be impaired. If any such indication exists, the recoverable amount of the right-of-use assets and other property and equipment is estimated. Changes in facts and circumstances may result in revisions to the conclusion of whether an indication of impairment exists and may revise estimates of recoverable amounts, which would affect profit or loss in future years.

Notes to the Consolidated Financial Statements

6 Revenues

	2025 HK\$'000	2024 HK\$'000
Revenues from contracts with customers within the scope of HKFRS 15		
Disaggregated by major service line		
– Agency fee	5,482,680	6,070,571
– Immigration consultancy services	8,334	6,900
– Web advertising	1,012	980
– Other services	4,811	4,176
	5,496,837	6,082,627
Revenues from other sources		
– Rental income	1,758	1,511
– Interest income from loan receivables	331	101
Total revenues	5,498,926	6,084,239

Revenues and results of property agency business are further analysed as follows:

	2025 HK\$'000	2024 HK\$'000
Revenues from property agency business	5,482,680	6,070,571
Commission split (note)	(2,078,292)	(2,697,600)
Revenues less commission split	3,404,388	3,372,971
Net segment operating costs and income	(2,829,483)	(2,939,837)
Segment results of property agency business (note 7)	574,905	433,134

Note: The amount represents the committed liability to individual buyers or co-operative agents arising directly from the relevant transactions.

7 Segment information

The chief operating decision makers have been identified as 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 determine the operating segments based on these reports.

The Executive Directors assess the performance based on the nature of the Group’s businesses comprising the property agency businesses for residential, commercial and industrial properties and shops, and other businesses which mainly include property leasing, immigration consultancy services, money lending services and mortgage referral services. The Group’s businesses are principally located in Hong Kong, Chinese Mainland and Macau.

Notes to the Consolidated Financial Statements

7 Segment information (Continued)

	Year ended 31 December 2025				
	Property agency			Others HK\$'000	Total HK\$'000
	Residential properties HK\$'000	Commercial and industrial properties and shops HK\$'000	Subtotal HK\$'000		
Segment revenues	5,433,607	49,073	5,482,680	25,894	5,508,574
Inter-segment revenues	–	–	–	(9,648)	(9,648)
Revenues from external customers	5,433,607	49,073	5,482,680	16,246	5,498,926
Timing of revenue recognition					
– At a point in time	5,433,607	49,073	5,482,680	4,811	5,487,491
– Over time	–	–	–	9,346	9,346
Rental income	–	–	–	1,758	1,758
Interest income from loan receivables	–	–	–	331	331
	5,433,607	49,073	5,482,680	16,246	5,498,926
Revenues	5,433,607	49,073	5,482,680	16,246	5,498,926
Commission split	(2,072,809)	(5,483)	(2,078,292)	–	(2,078,292)
Revenues less commission split	3,360,798	43,590	3,404,388	16,246	3,420,634
Segment results	569,450	5,455	574,905	3,846	578,751
Depreciation of right-of-use assets	(252,547)	(267)	(252,814)	(214)	(253,028)
Depreciation of property and equipment	(21,273)	(205)	(21,478)	(485)	(21,963)
Net (impairment losses)/reversal of impairment losses on financial assets and contract assets	(14,803)	486	(14,317)	32	(14,285)
Share of results of joint ventures	–	–	–	14,342	14,342
Fair value losses on investment properties	–	–	–	(2,816)	(2,816)
Impairment losses on right-of-use assets, net of reversals	(3,778)	(910)	(4,688)	–	(4,688)
Impairment losses on property and equipment	(466)	(112)	(578)	–	(578)
Net losses on disposal of property and equipment	(265)	(63)	(328)	–	(328)
Additions to property and equipment	8,697	173	8,870	45	8,915

For the purpose of segmental information analysis, expenditures incurred for leases are not regarded as capital expenditures.

Notes to the Consolidated Financial Statements

7 Segment information (Continued)

	Year ended 31 December 2024				
	Property agency			Others HK\$'000	Total HK\$'000
	Residential properties HK\$'000	Commercial and industrial properties and shops HK\$'000	Subtotal HK\$'000		
Segment revenues	6,023,997	46,574	6,070,571	21,521	6,092,092
Inter-segment revenues	–	–	–	(7,853)	(7,853)
Revenues from external customers	6,023,997	46,574	6,070,571	13,668	6,084,239
Timing of revenue recognition					
– At a point in time	6,023,997	46,574	6,070,571	4,176	6,074,747
– Over time	–	–	–	7,880	7,880
Rental income	–	–	–	1,511	1,511
Interest income from loan receivables	–	–	–	101	101
	6,023,997	46,574	6,070,571	13,668	6,084,239
Revenues	6,023,997	46,574	6,070,571	13,668	6,084,239
Commission split	(2,690,140)	(7,460)	(2,697,600)	–	(2,697,600)
Revenues less commission split	3,333,857	39,114	3,372,971	13,668	3,386,639
Segment results	431,576	1,558	433,134	44	433,178
Depreciation of right-of-use assets	(284,824)	(562)	(285,386)	(220)	(285,606)
Depreciation of property and equipment	(31,555)	(824)	(32,379)	(490)	(32,869)
Net impairment losses on financial assets and contract assets	(66,992)	(1,826)	(68,818)	(368)	(69,186)
Share of results of joint ventures	–	–	–	8,268	8,268
Fair value losses on investment properties	–	–	–	(4,706)	(4,706)
Impairment losses on right-of-use assets, net of reversals	(5,024)	(1,706)	(6,730)	–	(6,730)
Impairment losses on property and equipment	(598)	(203)	(801)	–	(801)
Net losses on disposal of property and equipment	(159)	(39)	(198)	–	(198)
Additions to property and equipment	7,937	436	8,373	19	8,392

Note: The share of results and interests in joint ventures mainly represent the financial information of mReferral Corporation Limited and its subsidiaries ("mReferral Group"). Please refer to note 19 for the summarised financial information.

Notes to the Consolidated Financial Statements

7 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, bank interest income, interest on bank borrowings, overdrafts and other borrowings and income tax expense are not included in the segment results.

Revenues between segments arose from transactions which are carried out on terms with reference to market practice. Revenues from external customers reported to the Executive Directors are measured in a manner consistent with that in the consolidated income statement.

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

	2025 HK\$'000	2024 HK\$'000
Segment results for reporting segments	578,751	433,178
Corporate expenses	(81,590)	(54,140)
Bank interest income	2,170	5,647
Interest on bank borrowings, overdrafts and other borrowings	(2,278)	(13,749)
Profit before income tax	497,053	370,936

Segment assets and liabilities exclude corporate assets and liabilities, deferred taxation, other non-current asset and financial assets at fair value through other comprehensive income, all of which are managed on a central basis. Set out below is an analysis of assets and liabilities by reporting segments:

	As at 31 December 2025				
	Property agency			Others HK\$'000	Total HK\$'000
	Residential properties HK\$'000	Commercial and industrial properties and shops HK\$'000	Subtotal HK\$'000		
Segment assets	4,124,178	40,289	4,164,467	69,957	4,234,424
Segment assets include:					
Interests in joint ventures	–	–	–	26,240	26,240
Segment liabilities	3,191,683	35,441	3,227,124	10,371	3,237,495

Notes to the Consolidated Financial Statements

7 Segment information (Continued)

	As at 31 December 2024				
	Property agency			Others HK\$'000	Total HK\$'000
	Residential properties HK\$'000	Commercial and industrial properties and shops HK\$'000	Subtotal HK\$'000		
Segment assets	4,118,224	26,389	4,144,613	57,182	4,201,795
Segment assets include: Interests in joint ventures	–	–	–	19,938	19,938
Segment liabilities	3,648,554	24,284	3,672,838	9,223	3,682,061

Reportable segment assets are reconciled to total assets as follows:

	2025 HK\$'000	2024 HK\$'000
Segment assets	4,234,424	4,201,795
Corporate assets	431,707	470,502
Deferred tax assets	22,586	25,390
Other non-current asset	10,110	10,110
Financial assets at fair value through other comprehensive income	40	512
Total assets	4,698,867	4,708,309

Reportable segment liabilities are reconciled to total liabilities as follows:

	2025 HK\$'000	2024 HK\$'000
Segment liabilities	3,237,495	3,682,061
Corporate liabilities	51,725	26,381
Deferred tax liabilities	5,965	6,153
Total liabilities	3,295,185	3,714,595

Notes to the Consolidated Financial Statements

7 Segment information (Continued)

Geographical information:

	2025 HK\$'000	2024 HK\$'000
Revenues from external customers		
Hong Kong and Macau	5,218,346	5,745,377
Chinese Mainland	280,580	338,862
	5,498,926	6,084,239

Revenues are attributed to locations where the transactions took place.

8 Other losses, net

	2025 HK\$'000	2024 HK\$'000
Net fair value losses on investment properties (note 18)	(2,816)	(4,706)
License fee income (note 34(a))	1,274	1,203
Others	975	931
	(567)	(2,572)

9 Staff costs, including directors' emoluments

	2025 HK\$'000	2024 HK\$'000
Salaries and allowances	767,130	707,010
Commissions	1,483,832	1,518,267
Pension costs for defined contribution plans	48,581	42,296
Pension costs for defined benefit plans	4,834	5,860
	2,304,377	2,273,433

The Group participates in a mandatory provident fund ("MPF") scheme which is available to eligible employees of the Group, including the Executive Directors. Contributions to the MPF scheme by the Group and the employees are calculated at rates specified in the rules of the MPF scheme. The assets of the MPF scheme are held separately from those of the Group in an independently administered fund.

The cost of the MPF scheme charged to the consolidated income statement represents contributions paid and payable by the Group to the fund.

The Group's contributions to the MPF scheme for its employees are fully and immediately vested in the employees once the contributions are made. Accordingly, there are no forfeited contributions under the MPF scheme that may be used by the Group to reduce the existing level of contributions.

The Group also contributes to employee retirement schemes established by municipal governments in respect of certain subsidiaries in Chinese Mainland. The municipal governments undertake to assume the retirement benefit obligations of all existing and future retired employees of the Group. Contributions to these schemes are charged to the consolidated income statement as incurred.

Notes to the Consolidated Financial Statements

10 Benefit and interest of directors and five highest paid individuals**(a) Benefit and interest of directors**

The remuneration of each director for the year ended 31 December 2025 is set out below:

Name of director	Fees HK\$'000	Salaries and allowances HK\$'000	Termination benefits HK\$'000	Performance incentive* HK\$'000	Retirement benefit costs HK\$'000	Total HK\$'000
Executive Directors						
Mr. WONG Kin Yip, Freddie (Chairman)	200	10,026	–	–	–	10,226
Ms. WONG Ching Yi, Angela	200	9,313	–	22,367	18	31,898
Mr. SZE Ka Ming	200	3,378	–	6,213	18	9,809
Mr. WONG Tsz Wa, Pierre (resigned with effect from 1 April 2025)	50	361	390	–	5	806
	650	23,078	390	28,580	41	52,739
Independent Non- Executive Directors						
Mr. HO Kwan Tat, Ted	260	–	–	–	–	260
Mr. SUN Tak Chiu	260	–	–	–	–	260
Mr. CHAN Nim Leung Leon	260	–	–	–	–	260
	780	–	–	–	–	780
	1,430	23,078	390	28,580	41	53,519

Notes to the Consolidated Financial Statements

10 Benefit and interest of directors and five highest paid individuals (Continued)**(a) Benefit and interest of directors (Continued)**

The remuneration of each director for the year ended 31 December 2024 is set out below:

Name of director	Fees HK\$'000	Salaries and allowances HK\$'000	Performance incentive* HK\$'000	Retirement benefit costs HK\$'000	Total HK\$'000
Executive Directors					
Mr. WONG Kin Yip, Freddie (Chairman)	200	9,229	–	–	9,429
Ms. WONG Ching Yi, Angela	200	8,603	14,837	18	23,658
Mr. SZE Ka Ming	200	3,329	3,709	18	7,256
Mr. WONG Tsz Wa, Pierre	200	2,167	801	18	3,186
	800	23,328	19,347	54	43,529
Independent Non-Executive Directors					
Mr. HO Kwan Tat, Ted	260	–	–	–	260
Mr. SUN Tak Chiu	260	–	–	–	260
Mr. CHAN Nim Leung Leon	260	–	–	–	260
	780	–	–	–	780
	1,580	23,328	19,347	54	44,309

* Performance incentive is determined based on performance of profit targets.

Notes to the Consolidated Financial Statements

10 Benefit and interest of directors and five highest paid individuals (Continued)**(a) Benefit and interest of directors (Continued)**

(i) Directors' emoluments

During the year ended 31 December 2024, certain executive directors of the Company waived part of their emoluments. The emoluments waived by these directors were set out below:

	2024 HK\$'000
Mr. WONG Kin Yip, Freddie (Chairman)	1,227
Ms. WONG Ching Yi, Angela	698
Mr. WONG Tsz Wa, Pierre	1,795
	3,720

No other director waived or agreed to waive any emoluments during the year ended 31 December 2025 (2024: nil).

No incentive payment for joining the Group was paid or payable to any director during the year ended 31 December 2025 (2024: nil).

(ii) Directors' retirement benefits and termination benefits

Apart from disclosed above, no other directors received or will receive any retirement benefits or termination benefits during the year ended 31 December 2025 (2024: nil).

(iii) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2025, the Group did not pay consideration to any third parties for making available directors' services (2024: nil).

(iv) Information about loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by and entities connected with such directors

As at 31 December 2025, there are no loans, quasi-loans and other dealing arrangements in favour of directors, bodies corporate controlled by and entities connected with such directors (2024: nil).

(v) Directors' material interests in transactions, arrangements or contracts

Save as disclosed in note 34, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Notes to the Consolidated Financial Statements

10 Benefit and interest of directors and five highest paid individuals (Continued)**(b) Five highest paid individuals**

The five individuals whose emoluments were the highest for the year include three (2024: three) directors whose emoluments are reflected in the analysis shown in note 10(a). The emoluments payable to the remaining two (2024: two) individual during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and allowances	5,229	1,598
Performance related incentives/discretionary bonus	25,237	20,147
Retirement benefit costs	52	36
	30,518	21,781

The emoluments fell within the following bands:

	Number of individuals	
	2025	2024
HK\$7,000,001 – HK\$7,500,000	–	1
HK\$10,500,001 – HK\$11,000,000	1	–
HK\$14,000,001 – HK\$14,500,000	–	1
HK\$19,500,001 – HK\$20,000,000	1	–
	2	2

Notes to the Consolidated Financial Statements

11 Other operating costs

The major other operating costs are as follows:

	2025 HK\$'000	2024 HK\$'000
Direct operating expenses arising from investment properties that:		
– generated rental income	214	208
– did not generate rental income	–	–
Office and branch operating expenses (remark)	90,707	86,406
Government rent and rates, building management fee of leased properties	40,112	40,779
Legal and professional fees	10,382	22,541
Staff recruitment, training and welfare	9,634	6,212
Insurance expenses	18,249	16,035
Bank charges	18,060	15,700
Impairment losses on right-of-use assets, net of reversals (note 17(b))	4,688	6,730
Impairment losses on property and equipment (note 17(b))	578	801
Net loss on disposal of property and equipment	328	198
Donations	936	807
Motor car expenses	1,167	1,256
Auditor's remuneration		
– audit services	3,051	2,332

Remark: Office and branch operating expenses include utilities expenses, communication expenses, printing and stationery, transportation, licence fee and repair and maintenance.

12 Finance income and costs

	2025 HK\$'000	2024 HK\$'000
Finance income		
Bank interest income	2,170	5,647
Finance costs		
Interest on bank borrowings, overdrafts and other borrowings	(2,278)	(13,749)
Interest on lease liabilities (note 17(b))	(14,610)	(13,816)
	(16,888)	(27,565)
Finance costs, net	(14,718)	(21,918)

Notes to the Consolidated Financial Statements

13 Income tax expense

	2025 HK\$'000	2024 HK\$'000
Current income tax	71,785	9,556
Deferred income tax (note 27)	2,586	41,057
	74,371	50,613

Hong Kong profits tax has been calculated at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year, except for one subsidiary of the Company which is a qualifying corporation under the two-tiered profits tax rates regime.

For the subsidiary which qualified for the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong profits tax for this subsidiary was calculated at the same basis in 2024.

Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the jurisdictions in which the Group operates.

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the Hong Kong profits tax rate as follows:

	2025 HK\$'000	2024 HK\$'000
Profit before income tax	497,053	370,936
Less: share of results of joint ventures	(14,342)	(8,268)
	482,711	362,668
Calculated at a taxation rate of 16.5% (2024: 16.5%)	79,647	59,840
Effect of different taxation rates in other jurisdictions	207	143
Income not subject to taxation	(387)	(1,143)
Expenses not deductible for taxation purposes	1,005	2,579
Utilisation of previously unrecognised tax losses	(7,008)	(6,619)
Tax losses not recognised	435	786
Recognition of previously unrecognised temporary differences	532	(4,991)
Others	(60)	18
Income tax expense	74,371	50,613

Notes to the Consolidated Financial Statements

14 Dividend

Subsequent to the end of the reporting period, a final dividend of HK6.0 cents (2024: nil) per ordinary share and a special dividend of HK3.0 cents (2024: nil) per ordinary share, totalling HK9.0 cents (2024: nil) per ordinary share, in an aggregate amount of approximately HK\$64,521,000 (2024: nil) in respect of the year ended 31 December 2025 has been proposed by the Board and is subject to approval by shareholders at the forthcoming annual general meeting.

The final dividend and special dividend proposed after the end of the reporting period have not been recognised as liabilities as at the end of the reporting period.

15 Earnings per share

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

	2025	2024
Profit attributable to equity holders for the calculation of basic and diluted earnings per share (HK\$'000)	422,682	320,323
Weighted average number of shares for the calculation of basic earnings per share (thousands)	716,925	717,086
Effect on conversion of share options (thousands)	2,704	–
Weighted average number of shares for the calculation of diluted earnings per share (thousands)	719,629	717,086
Basic earnings per share (HK cents)	58.96	44.67
Diluted earnings per share (HK cents)	58.74	44.67

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

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

For the year ended 31 December 2024, the diluted earnings per share is the same as the basic earnings per share as the exercise of share options of the Company would have an anti-dilutive effect.

Notes to the Consolidated Financial Statements

16 Property and equipment

	Land and buildings HK\$'000	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
At 1 January 2025						
Cost	128,716	133,835	60,565	232,964	5,130	561,210
Accumulated depreciation and impairment	(81,808)	(128,919)	(49,882)	(202,520)	(4,446)	(467,575)
Net book amount	46,908	4,916	10,683	30,444	684	93,635
Year ended 31 December 2025						
Opening net book amount	46,908	4,916	10,683	30,444	684	93,635
Additions	-	5,473	253	3,189	-	8,915
Disposals	-	(2)	(326)	-	-	(328)
Depreciation	(868)	(5,822)	(1,767)	(13,692)	(279)	(22,428)
Impairment (note 17(b))	-	(578)	-	-	-	(578)
Exchange differences	17	11	400	-	-	428
Closing net book amount	46,057	3,998	9,243	19,941	405	79,644
At 31 December 2025						
Cost	128,743	136,123	59,554	233,908	5,130	563,458
Accumulated depreciation and impairment	(82,686)	(132,125)	(50,311)	(213,967)	(4,725)	(483,814)
Net book amount	46,057	3,998	9,243	19,941	405	79,644
At 1 January 2024						
Cost	128,736	139,925	65,148	231,349	5,447	570,605
Accumulated depreciation and impairment	(80,946)	(129,268)	(50,188)	(185,441)	(4,772)	(450,615)
Net book amount	47,790	10,657	14,960	45,908	675	119,990
Year ended 31 December 2024						
Opening net book amount	47,790	10,657	14,960	45,908	675	119,990
Additions	-	5,722	247	2,147	276	8,392
Disposals	-	(72)	(154)	(2)	-	(228)
Depreciation	(869)	(10,564)	(4,025)	(17,609)	(267)	(33,334)
Impairment (note 17(b))	-	(801)	-	-	-	(801)
Exchange differences	(13)	(26)	(345)	-	-	(384)
Closing net book amount	46,908	4,916	10,683	30,444	684	93,635
At 31 December 2024						
Cost	128,716	133,835	60,565	232,964	5,130	561,210
Accumulated depreciation and impairment	(81,808)	(128,919)	(49,882)	(202,520)	(4,446)	(467,575)
Net book amount	46,908	4,916	10,683	30,444	684	93,635

Notes to the Consolidated Financial Statements

16 Property and equipment (Continued)

Land and buildings with net book value of HK\$37,315,000 (2024: nil) are pledged as security for the Group's borrowing facilities.

17 Right-of-use assets and lease liabilities**(a) Amounts recognised in the consolidated balance sheet**

(i) Right-of-use assets

	2025 HK\$'000	2024 HK\$'000
Properties	279,960	204,284
Motor vehicles	101	7
Land use rights	807	806
	280,868	205,097

Additions to the right-of-use assets during the year were HK\$333,962,000 (2024: HK\$238,078,000).

(ii) Lease liabilities

	2025 HK\$'000	2024 HK\$'000
Non-current	90,648	58,708
Current	208,695	164,034
	299,343	222,742

During the years ended 31 December 2025 and 2024, the Group received rent concessions from landlords for certain leased properties, which have been accounted for as lease modifications.

Notes to the Consolidated Financial Statements

17 Right-of-use assets and lease liabilities (Continued)**(b) Amounts recognised in the consolidated income statement**

	2025 HK\$'000	2024 HK\$'000
Depreciation of right-of-use assets		
Properties	252,932	285,374
Motor vehicles	62	198
Land use rights	34	34
	<u>253,028</u>	<u>285,606</u>
Expenses relating to short-term leases (included in operating lease charges in respect of office and shop premises)	21,045	29,663
	<u>14,610</u>	<u>13,816</u>

The Group regards each business unit in each city as a separately identifiable cash-generating unit. Management carries out an impairment assessment on cash-generating units when an impairment indicator exists and the carrying amounts may not be recoverable. The carrying amount of the related assets is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

During the year ended 31 December 2025, certain leased properties were written down to its recoverable amount, which was determined by reference to the value in use of the leased properties. Losses of HK\$4,688,000 and HK\$578,000 (2024: HK\$6,730,000 and HK\$801,000) for the impairment of right-of-use assets and leasehold improvements, respectively, in the property agency businesses are included in other operating costs in the consolidated income statement.

(c) Amounts recognised in the consolidated statement of cash flows

The total cash outflow for leases during the year was HK\$291,701,000 (2024: HK\$339,396,000).

Notes to the Consolidated Financial Statements

18 Investment properties

	2025 HK\$'000	2024 HK\$'000
Opening net book amount	25,436	30,284
Change in fair value to consolidated income statement (note 8)	(2,816)	(4,706)
Exchange differences	158	(142)
Closing net book amount	22,778	25,436

Change in fair value of investment properties is included in "Other loss, net" in the consolidated income statement (note 8).

The Group engaged qualified professional valuer to determine the fair value of Group's investment properties at least once every six months, in line with the Group's interim and annual reporting dates. Valuation assumptions, major inputs to valuation report and valuation result are discussed with valuer.

As at 31 December 2025, valuations were undertaken by Jones Lang LaSalle Limited (2024: Midland Surveyors Limited), a qualified professional valuer 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 Chinese Mainland are derived using the income capitalisation method and direct comparison method respectively.

The income capitalisation 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 valuer's interpretation of prevailing investor requirements or expectations.

The direct comparison approach assumes sale of the properties in their existing states with the benefit of vacant possession and by making reference to comparable sales transactions as available in the market and it is also a commonly adopted valuation method for the type of subject properties in Chinese Mainland.

Notes to the Consolidated Financial Statements

18 Investment properties (Continued)

Information about fair value measurements using significant unobservable inputs:

Location of investment properties	Valuation technique	Fair value		Range of significant unobservable inputs		
		2025 HK\$'000	2024 HK\$'000	Prevailing market rent per month	Capitalisation rate	Adjusted market price
Hong Kong	Income capitalisation	19,600	21,340	HK\$51 to HK\$96 per sq. ft. (saleable) (2024: HK\$47 to HK\$102 per sq. ft. (saleable))	3.70% to 6.00% (2024: 3.60% to 4.60%)	N/A
Chinese Mainland	Direct comparison (2024: Income capitalisation)	3,178	4,096	N/A (2024: RMB1,160 per sq. m. (gross))	N/A (2024: 6.80%)	RMB150,000 per sq. m. (2024: N/A)
Total		22,778	25,436			

Prevailing market rents are estimated based on qualified professional valuer's view of recent lettings, within the subject properties and other comparable properties. The higher the rents, the higher the fair value. Capitalisation rates are estimated by qualified professional valuer based on the risk profile of the properties being valued. The lower the rates, the higher the fair value. Adjusted market price is estimated based qualified professional valuer's value of recent transactions of comparable properties. The higher the price, the higher the fair value.

As at 31 December 2025 and 2024, all investment properties are included in level 3 in fair value hierarchy. There were no transfer between levels 1, 2 and 3 during the year (2024: nil).

19 Interests in joint ventures

	2025 HK\$'000	2024 HK\$'000
Share of net assets	26,240	19,938

Details of the principal joint ventures are set out in note 36(b) to the consolidated financial statements.

The summarised financial information below represents the aggregate amount of the Group's share of its interests in joint ventures:

	2025 HK\$'000	2024 HK\$'000
At 1 January	19,938	11,670
Share of profit	14,342	8,268
Dividend received	(8,040)	–
At 31 December	26,240	19,938

Notes to the Consolidated Financial Statements

19 Interests in joint ventures (Continued)

The table below provides summarised financial information of joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and not the Group's share of these amounts:

mReferral Group

	2025 HK\$'000	2024 HK\$'000
Non-current assets	3,989	1,138
Current assets		
Cash and cash equivalents	67,715	50,036
Other current assets	20,451	12,399
	88,166	62,435
Non-current liabilities	(1,877)	(657)
Current liabilities		
Current financial liabilities (excluding trade and other payables and provisions)	(1,519)	(348)
Other current liabilities	(38,323)	(24,262)
	(39,842)	(24,610)
Net assets	50,436	38,306
Group's share of net assets	25,218	19,153
Revenues	107,572	83,190
Depreciation and amortisation	(1,817)	(2,300)
Interest income	673	934
Interest expenses	(117)	(51)
Income tax expense	(5,256)	(2,443)
Others	(72,845)	(62,961)
Profit and total comprehensive income for the year attributable to equity holders	28,210	16,369
Group's share of the profit and total comprehensive income for the year	14,105	8,185

During the year ended 31 December 2025, the Group received dividends of HK\$8,040,000 (2024: nil) from mReferral Group.

There are no significant contingent liabilities and capital commitments relating to the Group's interests in joint ventures and the joint ventures do not have any significant contingent liabilities and capital commitments as at 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

20 Financial assets at fair value through other comprehensive income

	2025 HK\$'000	2024 HK\$'000
Unlisted equity investments, at fair value	40	512

The Group's financial assets at fair value through other comprehensive income are denominated in United States dollars.

21 Other non-current asset

	2025 HK\$'000	2024 HK\$'000
Club membership	10,110	10,110

22 Loan receivables

	2025 HK\$'000	2024 HK\$'000
Loan receivables – loans to employees	740	413
Loan receivables – property mortgage loans	5,995	–
Total loan receivables	6,735	413
Less: non-current portion	(740)	(220)
Current portion	5,995	193

Loan receivables represent loans to employees and property mortgage loans granted to customer in Hong Kong. Loan receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Details on the Group's credit policy and credit risk arising from loan receivables, and impairment losses for loan receivables are set out in note 4(a)(i).

A maturity profile of the loan receivables as at the end of the reporting periods, based on the maturity date and net of provision, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 year	5,995	193
Over 1 year but less than 2 years	277	220
Over 2 years	463	–
	6,735	413

The Group's loan receivables are denominated in Hong Kong dollars.

Notes to the Consolidated Financial Statements

23 Trade receivables, contract assets and other receivables

	2025 HK\$'000	2024 HK\$'000
Trade receivables	1,327,795	995,571
Contract assets	1,920,992	2,586,198
Less: loss allowance	(146,877)	(151,234)
Trade receivables and contract assets, net	3,101,910	3,430,535
Other receivables, prepayments and deposits	148,118	185,638
	3,250,028	3,616,173

Trade receivables mainly represent agency fees receivables from customers whereby no general credit terms are granted. Contract assets represent the agency fees recognised in respect of property agency services performed but not yet billed. The customers are obliged to settle the amounts due upon the completion of transactions or pursuant to the terms and conditions of the relevant agreements. The ageing analysis of the trade receivables and contract assets is as follows:

	2025 HK\$'000	2024 HK\$'000
Contract assets	1,886,664	2,551,911
Trade receivables		
Current (not yet due)	1,094,240	787,279
Less than 31 days past due	53,950	43,833
31 to 60 days past due	26,668	21,366
61 to 90 days past due	11,098	7,567
More than 90 days past due	29,290	18,579
	3,101,910	3,430,535

Trade receivables of HK\$121,006,000 (2024: HK\$91,345,000) were past due but not impaired.

Details on the Group's credit policy and credit risk arising from trade receivables and contract assets are set out in note 4(a)(i).

Deposits and other receivables within trade receivables, contract assets and other receivables do not contain impaired assets. The Group does not hold any collateral as security.

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

Borrowing facilities granted to the Group were secured, inter alia, by floating charge over certain receivables of the Group, with carrying value of approximately HK\$2,929,655,000 as at 31 December 2025 (2024: HK\$3,286,341,000).

Trade receivables, contract assets and other receivables expected to be recovered after more than one year is HK\$733,467,000 (2024: HK\$861,940,000). The remaining balance is expected to be recovered within one year.

Notes to the Consolidated Financial Statements

24 Cash and bank balances**(a) Cash and cash equivalents**

As at 31 December 2025, the Group's cash and cash equivalents included balances of HK\$23,304,000 (2024: HK\$10,964,000), which were deposits with banks in Chinese Mainland. The remittance of such balances out of the Chinese Mainland is subject to the rules and regulations of foreign exchange control promulgated by the People's Republic of China government.

(b) Restricted cash

Restricted cash of RMB2,012,000 (equivalent to HK\$2,236,000) represents a deposit restricted in Chinese Mainland in relation to a legal claim, which was subsequently released in January 2026.

25 Share capital and share premium

	Number of issued shares (HK\$0.10 each)	Nominal value HK\$'000	Share premium HK\$'000	Total HK\$'000
At 1 January 2024, 31 December 2024 and 1 January 2025	717,086,005	71,709	222,235	293,944
Cancellation of shares repurchased (note b)	(190,000)	(19)	(138)	(157)
At 31 December 2025	716,896,005	71,690	222,097	293,787

Notes:

(a) Share capital

The total authorised number of ordinary shares is 1 billion shares (2024: 1 billion shares) with a nominal value of HK\$0.10 per share (2024: HK\$0.10 per share). All issued shares are fully paid.

(b) Repurchase of shares

During the year ended 31 December 2025, the Company repurchased a total of 190,000 of its own shares on the Stock Exchange at an aggregate consideration of HK\$157,000 (including expense of HK\$1,000). These shares were subsequently cancelled in February 2025.

(c) Share options

On 23 June 2016, the Company adopted a share option scheme (the "Share Option Scheme"). The Share Option Scheme became effective on 23 June 2016 and remains in force for a period of ten years from that date and will expire on 22 June 2026. The purpose of the Share Option Scheme is to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to, the selected participants, to attract and retain the best quality personnel for the development of the business of the Company and each of its direct or indirect subsidiary, associated company, jointly controlled entity or joint venture (collectively, the "Eligible Group"), to recognise the contributions of the selected participants to the growth of the Eligible Group by rewarding them with opportunities to obtain ownership interest in the Company, and/or to promote the long term success of the Eligible Group by aligning the interests of the selected participants to the shareholders of the Company.

Pursuant to the Share Option Scheme, the Board may, on or before 22 June 2026, at its discretion, offer to grant share options to any director (including any executive director of the Company), executive, officer or employee (whether full-time or part-time) of each member of the Eligible Group (but excluding each member of the committee appointed by the Board from time to time for the purpose of administration of the Share Option Scheme), as absolutely determined by the Board in accordance with the terms of the 2016 Share Option Scheme.

Notes to the Consolidated Financial Statements

25 Share capital and share premium (Continued)

Notes: (Continued)

(c) Share options (Continued)

The maximum number of shares issued and to be issued upon exercise of all options granted to each participant under the Share Option Scheme and any other share option schemes of the Company (including those exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares of the Company in issue. The maximum number of shares issued and to be issued upon exercise of all options granted under the Share Option Scheme and any other share option scheme(s) of the Company to each participant who is an Independent Non-Executive Director or a substantial shareholder of the Company, or any of their respective associates, in any 12-month period shall not exceed 0.1% of the total number of shares of the Company in issue and the aggregate value based on the closing price of the shares of the Company at the date of each grant shall not exceed HK\$5,000,000. Any further grant of share options in excess of the above-mentioned limit shall be approved by the shareholders of the Company with all core connected persons, within the meaning as ascribed under the Rules Governing the Listing Rules of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), of the Company abstaining from voting in favour at such general meeting.

The exercise price shall not be less than the highest of (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option which must be a business day; (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five consecutive business days immediately preceding the date of grant of the option; and (iii) the nominal value of a share of the Company on the date of grant of the option.

In January 2020, 9,174,300 share options were granted to certain directors of the Company under the Share Option Scheme (no share options were granted during the years ended 31 December 2025 and 2024). Each option gives the holder the right to subscribe for one ordinary share of the Company. The share options granted will be vested 1 year after the date of grant. The vesting period of these options ends when they become exercisable. A consideration of HK\$1 from each of the grantees was received.

The fair value of each share option granted was estimated on the date of grant using the Binomial Model with the following assumptions:

Share price at date of grant	:	HK\$1.09
Exercise price	:	HK\$1.09
Option life	:	8 years
Expected volatility	:	33.77%
Expected dividend yield	:	0.48%
Risk-free rate	:	1.544%
Exercise multiple	:	2.8x

The expected volatility measured by using the historical volatility of the Company over the most recent period commensurate with the expected life of the share options.

Based on the above assumptions, the estimated fair value of each share option was HK\$0.2512. Any changes in the parameters may materially affect the estimation of the fair value of a share option.

For the years ended 31 December 2025 and 2024, no share-based payment expenses had been recognised in the consolidated income statement.

(i) Terms of unexpired and unexercised share options at balance sheet date

Share options outstanding at the end of the year have the following exercisable period and exercise prices:

Exercisable period	Exercise price per share HK\$	Number of options	
		2025	2024
17 January 2021 to 16 January 2028	1.09	9,174,300	9,174,300

Notes to the Consolidated Financial Statements

25 Share capital and share premium (Continued)

Notes: (Continued)

(c) Share options (Continued)

(ii) Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2025		2024	
	Weighted average exercise price per share HK\$	Number of options	Weighted average exercise price per share HK\$	Number of options
At beginning and the end of the year	1.09	9,174,300	1.09	9,174,300

No share options of the Company were granted, exercised, cancelled or lapsed during the year ended 31 December 2025 (2024: nil).

As at 31 December 2025, 9,174,300 options were exercisable (2024: 9,174,300 options).

The options outstanding as at 31 December 2025 had a weighted average remaining contractual life of 2.05 years (2024: 3.05 years).

Notes to the Consolidated Financial Statements

26 Reserves

	Capital redemption reserve HK\$'000	Capital reserve HK\$'000	Legal reserve HK\$'000	Employee benefits reserve HK\$'000	Exchange reserve HK\$'000	Financial assets at FVOCI reserve HK\$'000	Property revaluation reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 January 2025	5,013	2,086	190	2,304	46,473	1,240	15,312	627,152	699,770
Profit for the year	-	-	-	-	-	-	-	422,682	422,682
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	(39)	-	-	(39)
Remeasurement of post-employment benefit obligation	-	-	-	-	-	-	-	(9,515)	(9,515)
Currency translation differences	-	-	-	-	(3,003)	-	-	-	(3,003)
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	-	-	-	(433)	-	433	-
Cancellation of shares repurchased	19	-	-	-	-	-	-	(19)	-
At 31 December 2025	5,032	2,086	190	2,304	43,470	768	15,312	1,040,733	1,109,895
At 1 January 2024	5,013	2,086	190	2,304	38,035	1,375	15,312	298,932	363,247
Profit for the year	-	-	-	-	-	-	-	320,323	320,323
Change in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	-	46	-	-	46
Remeasurement of post-employment benefit obligation	-	-	-	-	-	-	-	7,716	7,716
Currency translation differences	-	-	-	-	8,438	-	-	-	8,438
Transfer of gain on disposal of financial assets at fair value through other comprehensive income to retained earnings	-	-	-	-	-	(181)	-	181	-
At 31 December 2024	5,013	2,086	190	2,304	46,473	1,240	15,312	627,152	699,770

Notes to the Consolidated Financial Statements

27 Deferred taxation

	2025 HK\$'000	2024 HK\$'000
Deferred tax assets	22,586	25,390
Deferred tax liabilities	(5,965)	(6,153)
	16,621	19,237

The net movements on the deferred tax assets/(liabilities) are as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	19,237	61,508
Recognised in the consolidated income statement (note 13)	(2,586)	(41,057)
Recognised in the consolidated statement of comprehensive income	–	(1,231)
Exchange difference	(30)	17
At 31 December	16,621	19,237

The movements in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred tax assets

	Provision HK\$'000	Decelerated tax depreciation HK\$'000	Tax losses HK\$'000	Total HK\$'000
At 1 January 2024	5,026	3,781	61,856	70,663
Recognised in the consolidated income statement	11,839	1,374	(57,096)	(43,883)
Recognised in the consolidated statement of comprehensive income	–	–	(1,231)	(1,231)
At 31 December 2024	16,865	5,155	3,529	25,549
Recognised in the consolidated income statement	856	(133)	(3,529)	(2,806)
At 31 December 2025	17,721	5,022	–	22,743

Notes to the Consolidated Financial Statements

27 Deferred taxation (Continued)**Deferred tax liabilities**

	Accelerated tax depreciation HK\$'000	Others HK\$'000	Total HK\$'000
At 1 January 2024	(8,241)	(914)	(9,155)
Recognised in the consolidated income statement	2,713	113	2,826
Exchange difference	–	17	17
At 31 December 2024	(5,528)	(784)	(6,312)
Recognised in the consolidated income statement	20	200	220
Exchange difference	–	(30)	(30)
At 31 December 2025	(5,508)	(614)	(6,122)

Deferred tax assets are recognised for tax losses carry-forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets of HK\$197,233,000 (2024: HK\$217,772,000) in respect of losses amounting to HK\$1,008,907,000 (2024: HK\$1,087,854,000) as at 31 December 2025. These tax losses are subject to the agreement with the tax authorities and can be carried forward against future taxable income. Tax losses have no expiry date except for tax losses amounting to HK\$391,971,000 (2024: HK\$436,858,000) which will expire from 2026 to 2030 (2024: from 2025 to 2029).

In addition, the Group did not recognise deferred tax assets of HK\$2,021,000 (2024: HK\$2,079,000) and HK\$2,698,000 (2024: HK\$2,312,000) in respect of decelerated tax depreciation and provision respectively.

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2025 HK\$'000	2024 HK\$'000
Deferred tax assets		
Recoverable after more than twelve months	1,659	7,520
Recoverable within twelve months	20,927	17,870
	22,586	25,390
Deferred tax liabilities		
Payable or settle after more than twelve months	(5,965)	(6,153)

Notes to the Consolidated Financial Statements

28 Trade and other payables

	2025 HK\$'000	2024 HK\$'000
Commissions and commission split payables	2,694,665	3,246,201
Other payables and accruals	229,402	208,068
Defined benefit obligation	41,705	26,985
	2,965,772	3,481,254
Categorised as		
Current portion	2,903,796	3,443,571
Non-current portion	61,976	37,683
	2,965,772	3,481,254

Commissions and commission split payables to property consultants, co-operative estate agents and property buyers are due for payment only upon the receipt of corresponding agency fees from customers. These balances include commissions and commission split payables of HK\$366,814,000 (2024: HK\$495,273,000) in respect of which the corresponding agency fees have been received, and are due for payment within 30 days after year end. All the remaining commissions and commission split payables are not yet due.

Trade and other payables expected to be settled after more than one year is HK\$568,262,000 (2024: HK\$712,697,000). The remaining balance is expected to be settled within one year.

As at 31 December 2025 and 2024, the Group's defined benefit obligation are determined based on the actuarial valuation prepared by an independent qualified professional actuary, using the Projected Unit Credit method.

Movements in the present value of the defined benefit obligation are as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	26,985	30,663
Service costs	3,753	4,765
Interest costs	1,081	1,095
Actuarial loss/(gain)	10,989	(8,947)
Benefit paid	(1,103)	(591)
At 31 December	41,705	26,985

Notes to the Consolidated Financial Statements

28 Trade and other payables (Continued)

The significant actuarial assumptions used are as follows:

	2025	2024
Discount rate	3.5%	4.1%
Expected rate of salary increase	2.5%	2.5%

The sensitivity analysis of the defined benefit obligation to changes in the significant actuarial assumptions are as follows:

	2025	
	Change to adopted rate	Effect on defined benefit obligation
Discount rate	+0.5%/-0.5%	-5.3%/+5.7%
Expected rate of salary increase	+0.5%/-0.5%	+0.8%/-0.9%

	2024	
	Change to adopted rate	Effect on defined benefit obligation
Discount rate	+0.5%/-0.5%	-5.7%/+6.2%
Expected rate of salary increase	+0.5%/-0.5%	+3.5%/-3.7%

The above sensitivity analysis are based on a change in assumption while holding all other assumptions constant.

The management considers the balance of contract liabilities arising from immigration consultancy services is not material to the Group and hence not presented as a separate line item in the financial statements.

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

29 Borrowings

The Group has the following undrawn borrowing facilities:

	2025 HK\$'000	2024 HK\$'000
Floating rates Expiring within one year	1,338,000	1,168,000

As at 31 December 2025, the borrowing facilities are secured by certain land and buildings held by the Group (note 16), certain receivables (note 23) and guarantees provided by the Company.

As at 31 December 2024, the borrowing facilities are secured by certain receivables (note 23) and guarantees provided by the Company.

Notes to the Consolidated Financial Statements

30 Notes to consolidated statement of cash flows**(a) Reconciliation of operating profit to net cash generated from operations**

	2025 HK\$'000	2024 HK\$'000
Operating profit	497,429	384,586
Depreciation of right-of-use assets	253,028	285,606
Depreciation of property and equipment	22,428	33,334
Net impairment losses on financial assets and contract assets	14,285	69,186
Net fair value losses on investment properties (note 8)	2,816	4,706
Impairment losses on right-of-use assets, net of reversal (note 11)	4,688	6,730
Impairment losses on property and equipment (note 11)	578	801
Net loss on disposal of property and equipment (note 11)	328	198
Net exchange differences	(34)	23
Operating profit before working capital changes	795,546	785,170
Changes in loan receivables	(6,290)	392
Changes in trade receivables, contract assets and other receivables	359,727	(1,157,981)
Changes in trade and other payables	(539,226)	1,054,034
Changes in restricted cash (note 24(b))	(2,236)	–
Net cash generated from operations	607,521	681,615

(b) Reconciliation of liabilities from financing activities

Movements in liabilities from financing activities are as follows:

	Borrowings HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 January 2024	169,890	286,949	456,839
Cash flows	(166,383)	(295,917)	(462,300)
Other non-cash movements	(3,507)	231,710	228,203
At 31 December 2024	–	222,742	222,742
Cash flows	–	(256,046)	(256,046)
Other non-cash movements	–	332,647	332,647
At 31 December 2025	–	299,343	299,343

Notes to the Consolidated Financial Statements

31 Contingent liabilities

In November 2023, the Competition Commission (the “Commission”) commenced proceedings at the Competition Tribunal (the “Tribunal Proceedings”) against the Company and certain subsidiaries and officers of the Group (the “Respondents”) alleging their contravention and/or involvement in contravention of the First Conduct Rule of the Competition Ordinance (Cap. 619 of the Laws of Hong Kong) during the period allegedly from late 2022 to early 2023.

As advised by the legal advisors of the Group, the Tribunal Proceedings are currently subject to judicial challenge due to two parallel applications of Judicial Review (the “JR Application”) and Permanent Stay of Proceedings (the “Stay Application”) lodged by the Company and its two subsidiaries against the Commission on 18 March 2024. Leave for the JR Application was granted by the High Court on 20 March 2024 after the application.

The substantive hearing for both the JR Application and the Stay Application took place on 8 and 9 August 2024, and the outcome of these two applications would have a significant impact on the Tribunal Proceedings, including permanent stay or dismissal of the whole case. The High Court previously indicated that the judgment of the JR Application and the Stay Application (the “Judgment”) would be handed down by 31 March 2026. Recently, the High Court has informed the parties that the Judgment will only be available by 29 May 2026. It should also be noted that this date is subject to a potential extension depending on the schedule of the Court and other factors.

On the other hand, the Tribunal Proceedings are still at an early stage, and the Respondents are not required to file their defence documents or any other pleadings pending the outcome of the JR Application and the Stay Application. Further, due to the uncertain impact of the Judgment, the Competition Tribunal has previously approved to vacate the trial dates of the Tribunal Proceedings (originally scheduled in third quarter of 2025) upon joint application of the parties. If a trial is eventually required, it shall be refixed upon seeking further directions from the Competition Tribunal after receiving the Judgment.

In addition to pursuing the JR Application and the Stay Application, the Company shall continue to defend the Tribunal Proceedings (if any) vigorously. As such, it is not practicable to make a sufficiently reliable estimation of the potential liability (if any) due to the high degree of uncertainty of the whole case. Taking into account all relevant circumstances, no provision is made in the consolidated financial statements of the Group as at 31 December 2025.

Apart from the above disclosed, 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 consolidated 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 resources is probable.

32 Future lease rental receivable

The Group had future minimum lease rental receivable under non-cancellable operating leases for properties as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	897	1,525
After one year but within five years	624	1,434
	1,521	2,959

Notes to the Consolidated Financial Statements

33 Commitments**(a) Capital commitments**

The Group did not have any significant capital commitments as at 31 December 2025 and 2024.

(b) Operating lease commitments

The Group had future aggregate minimum lease payable under non-cancellable operating leases in respect of office and shop premises as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	1,935	1,935

34 Significant related party transactions

The Group had the following significant transactions with related parties during the year and balances with related parties as at the balance sheet date:

(a) Transactions with related parties

	Note	2025 HK\$'000	2024 HK\$'000
Agency fee income from related companies	(i)	107,263	31,797
Commission split to related companies	(ii)	(20,393)	(30,604)
License fee income from related companies	(iii)	1,274	1,203
Agency fee to a related company	(iv)	(196)	(45)
Interest expenses to a director	(v)	–	(4,360)
Interest expenses to other related company	(v)	–	(2,103)

Notes:

- (i) Agency fee income from related companies represents agency fee from referral of property agency transactions to related companies on terms mutually agreed by both parties.
- (ii) Commission split to related companies represents commission split for property agency transactions referred by related companies on terms mutually agreed by both parties.
- (iii) License fee income from related companies represents license fee for the use of trademark by related companies on terms mutually agreed by both parties.
- (iv) Agency fee to a related company represents agency fee for provision of property agency services by a related company on terms mutually agreed by both parties.
- (v) Interest expenses to a director/other related company represents interest expenses for borrowings provided by a director/other related company on terms mutually agreed by both parties.

The related companies referred in notes (i), (ii), (iii) and (iv) above represent subsidiaries of Legend Upstar Holdings Limited (“Legend Upstar”). Mr. WONG Kin Yip, Freddie (“Mr. WONG”), a director and controlling shareholder (as defined under the Listing Rules) of the Company, is also a director and controlling shareholder (as defined under the Listing Rules) of Legend Upstar.

Notes to the Consolidated Financial Statements

34 Significant related party transactions (Continued)**(a) Transactions with related parties (Continued)**

During the year ended 31 December 2025, the Group shared administrative and corporate services fee on a cost basis with an aggregate amount of HK\$21,745,000 (2024: HK\$21,608,000) with subsidiaries of Legend Upstar.

- (b)** During the year ended 31 December 2025, the Group entered into a lease with a subsidiary of Legend Upstar on terms mutually agreed by both parties. The Group recognised right-of-use assets of HK\$2,241,000 at the commencement date of the lease (2024: HK\$2,278,000).

During the year ended 31 December 2025, lease payments to a subsidiary of Legend Upstar under certain leases amounted to HK\$2,314,000 (2024: HK\$2,362,000).

- (c)** During the year ended 31 December 2025, the Group entered into certain leases with certain companies, of which Mr. WONG is the beneficial owner, on terms mutually agreed by both parties. The Group recognised right-of-use assets of HK\$4,118,000 at the commencement date of the leases (2024: HK\$684,000).

During the year ended 31 December 2025, lease payments to certain companies, of which Mr. WONG is the beneficial owner, under certain leases amounted to HK\$2,681,000 (2024: HK\$2,749,000).

- (d)** The balances with related parties included in trade receivables, contract assets and other receivables, trade and other payables and lease liabilities are as follows:

	2025 HK\$'000	2024 HK\$'000
Trade receivables, contract assets and other receivables		
Amounts due from related companies (note 34(a))	56,372	29,477
Trade and other payables		
Amounts due to related companies (note 34(a))	(19,886)	(18,066)
Lease liabilities		
Amount due to related companies (note 34(b))	(494)	(503)
Amount due to other related companies (note 34(c))	(3,851)	(2,307)

(e) Key management compensation

	2025 HK\$'000	2024 HK\$'000
Fees, salaries, allowances and incentives	52,308	43,475
Termination benefits	390	–
Retirement benefit costs	41	54
	52,739	43,529

The amount represents emoluments paid or payable to the Executive Directors for the year.

The significant related party transactions under this note constitute connected transactions or continuing connected transactions under the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section “Continuing Connected Transactions” of the Report of the Directors.

Notes to the Consolidated Financial Statements

35 Balance sheet and reserves movement of the Company**Balance sheet of the Company**

	Note	As at 31 December	
		2025 HK\$'000	2024 HK\$'000
ASSETS			
Non-current assets			
Investments in subsidiaries		108,501	108,501
Current assets			
Other receivables, prepayments and deposits		3,953	4,059
Amounts due from subsidiaries		513,884	502,172
Tax recoverable		381	–
Cash and cash equivalents		1,352	1,052
		519,570	507,283
Total assets		628,071	615,784
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		71,690	71,709
Share premium		222,097	222,235
Reserves	(a)	298,398	295,912
Total equity		592,185	589,856
LIABILITIES			
Non-current liabilities			
Other payables and accruals		180	460
Current liabilities			
Other payables and accruals		35,099	24,504
Amounts due to subsidiaries		607	607
Current income tax liabilities		–	357
		35,706	25,468
Total liabilities		35,886	25,928
Total equity and liabilities		628,071	615,784

The balance sheet of the Company was approved by the Board of Directors on 30 March 2026 and was signed on its behalf.

WONG Ching Yi, Angela
Director

SZE Ka Ming
Director

Notes to the Consolidated Financial Statements

35 Balance sheet and reserves movement of the Company (Continued)**Note (a) Reserves movement of the Company**

	Capital redemption reserve HK\$'000	Employee benefits reserve HK\$'000	Contributed surplus HK\$'000	Retained earnings HK\$'000	Total HK\$'000
At 1 January 2025	5,013	2,304	108,001	180,594	295,912
Profit for the year	–	–	–	2,565	2,565
Remeasurement of post-employment benefit obligation	–	–	–	(79)	(79)
Cancellation of shares repurchased	19	–	–	(19)	–
At 31 December 2025	5,032	2,304	108,001	183,061	298,398
At 1 January 2024	5,013	2,304	108,001	179,198	294,516
Profit for the year	–	–	–	1,393	1,393
Remeasurement of post-employment benefit obligation	–	–	–	3	3
At 31 December 2024	5,013	2,304	108,001	180,594	295,912

The contributed surplus of the Company represents the difference between the nominal value of the Company's shares issued in exchange for the issued ordinary shares of Astra Profits Limited and the value of the net assets of the underlying subsidiaries acquired as at 12 May 1995. The contributed surplus is distributable to the equity holders. In the Group's consolidated financial statements, the contributed surplus is reclassified into its components of reserves of the underlying subsidiaries.

36 Particulars of principal subsidiaries and joint ventures**(a) Principal subsidiaries**

Company name	Place of incorporation/ establishment	Issued/registered and paid-up capital	Principal activities and places of operation	Percentage of ownership interest	
				2025 %	2024 %
Astra Profits Limited (note a)	British Virgin Islands	4 shares of US\$1 each	Investment holding in Hong Kong	100	100
Hong Kong Property Services (Agency) Limited	Hong Kong	2 shares	Property agency in Hong Kong	100	100
Hong Kong Property Services (China) Limited	Hong Kong	1 share	Investment holding in the PRC	100	100
Midland Credit Limited	Hong Kong	1 share	Money lending services in Hong Kong	100	100

Notes to the Consolidated Financial Statements

36 Particulars of principal subsidiaries and joint ventures (Continued)**(a) Principal subsidiaries (Continued)**

Company name	Place of incorporation/ establishment	Issued/registered and paid-up capital	Principal activities and places of operation	Percentage of ownership interest	
				2025 %	2024 %
Midland CyberNet Limited	Hong Kong	39,100,000 shares	Investment holding and operation of internet website in Hong Kong	100	100
Midland HKP Services (Administration) Limited	Hong Kong	2 shares	Provision of management services in Hong Kong	100	100
Midland Immigration Consultancy Limited	Hong Kong	500,000 shares	Immigration consultancy services in Hong Kong	100	100
Midland Realty (Global) Limited	Hong Kong	1 share	Promotion of overseas properties in Hong Kong	100	100
Midland Realty (Macau) Agency Limited	Macau	MOP\$25,000	Property agency in Macau	100	100
Midland Realty (Macau) Limited	Macau	MOP\$25,000	Property agency in Macau	100	100
Midland Realty (Strategic) Limited	Hong Kong	10,000 shares and 2,000,000 non-voting deferred shares	Investment holding and provision of administration and treasury services to group companies in Hong Kong	100	100
Midland Realty International Limited	Hong Kong	1,000 shares	Property agency in Hong Kong	100	100
Midland Surveyors Limited	Hong Kong	1,000,000 shares	Provision of professional surveying consultancy and valuation services in Hong Kong	100	100
Real Gain Limited	Hong Kong	10,000 shares	Property investment in Hong Kong	100	100
Worldboss Limited	Hong Kong	2 shares	Property investment in Hong Kong	100	100
港置地產代理(深圳)有限公司 (note b)	The PRC	HK\$45,000,000	Property agency in the PRC	100	100
美聯物業代理(深圳)有限公司 (note b)	The PRC	US\$65,110,000	Property agency in the PRC	100	100

Notes to the Consolidated Financial Statements

36 Particulars of principal subsidiaries and joint ventures (Continued)**(a) Principal subsidiaries (Continued)**

Company name	Place of incorporation/ establishment	Issued/registered and paid-up capital	Principal activities and places of operation	Percentage of ownership interest	
				2025 %	2024 %
縱橫擔保(深圳)有限公司 (note b)	The PRC	US\$5,400,000	Property investment in the PRC	100	100
北京美聯房地產經紀有限公司 (note b)	The PRC	US\$12,800,000	Property agency in the PRC	100	100
珠海橫琴港置美聯房地產代理有限公司 (note b)	The PRC	RMB100,000	Property agency in the PRC	100	100

Notes:

- (a) This subsidiary is directly held by the Company.
- (b) Registered as wholly foreign owned enterprise under the PRC law.

(b) Principal joint ventures

Company name	Place of incorporation	Principal activities and places of operation	Percentage of interest in ownership/voting power/profit sharing	
			2025	2024
mReferral Corporation Limited	British Virgin Islands	Investment holding in Hong Kong	50%/50%/50%	50%/50%/50%
mReferral Corporation (HK) Limited	British Virgin Islands	Provision of mortgage referral services in Hong Kong	50%/50%/50%	50%/50%/50%
Vision Year Investments Limited	British Virgin Islands	Investment holding in Hong Kong	10%/50%/10%	10%/50%/10%

Notes to the Consolidated Financial Statements

37 Summary of other potentially material accounting policies

The list of other potentially material accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Consolidation

The consolidated financial statements of the Group include the financial statements of the Company and its subsidiaries made up to 31 December.

(i) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any 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.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised loss is also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the consolidated income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards.

37 Summary of other potentially material accounting policies (Continued)

(a) Consolidation (Continued)

(ii) Separate financial statements

In the Company's balance sheet, the investments in subsidiaries are stated at cost less provision for impairment. The results of subsidiaries are accounted for by the Company on the basis of dividend income.

(iii) Joint ventures

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors that make strategic decisions.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars which is the Company's functional and the Group's presentation currency.

37 Summary of other potentially material accounting policies (Continued)

(c) Foreign currency translation (Continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at exchange rates ruling at the balance sheet date of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings, are taken to equity. When a foreign operation is partially disposed or sold, exchange differences that were recorded in equity are recognised in the consolidated income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate at the balance sheet date.

37 Summary of other potentially material accounting policies (Continued)

(d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(e) Loan receivables

Loan receivables are loans to employees and property mortgage loans granted to customers. If collection of loan receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Loan receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(f) Share capital

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(g) Dividend distribution

Dividend distribution is recognised as a liability in the consolidated financial statements in the financial period in which the dividends are approved by the shareholders or directors, as appropriate and no longer at the discretion of the entity.

For distribution of non-cash assets to the owner, the Company measures a liability at the fair value of the non-cash assets to be distributed. In the settlement of the liability, the difference between the fair value of the non-cash assets and their carrying amounts is recognised in profit or loss.

List of Investment Properties

Location	Lot number	Existing use	Lease term	Group's interest
Unit 4 on Level (Site 1) 36 (excluding Market Entrance at L36) of Commercial Development, Sceneway Garden, 8 Sceneway Road, Lam Tin, Kowloon, Hong Kong	NKIL6046	Commercial	Medium	100%
Shop No. 80, Harmony Garden, No. 9 Siu Sai Wan Road, Hong Kong	CWIL154	Commercial	Medium	100%
Shop No. 1D 128 on Level 1, Sun Asia Guo Li Building, 8 Zhong Hang Road, Futian District, Shenzhen, the People's Republic of China	N/A (note)	Commercial	Long	100%

Note: Property located in the People's Republic of China without lot number.

Five-Year Financial Summary

	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
For the year					
Revenues	5,498,926	6,084,239	4,082,694	3,115,143	6,001,432
Profit/(loss) before income tax	497,053	370,936	(29,209)	(588,801)	144,006
Profit/(loss) attributable to equity holders of the Company	422,682	320,323	(41,916)	(533,971)	100,213
Cash flows					
Net cash inflow from operating activities	540,076	644,595	543,603	59,369	749,906
At year end					
Total assets	4,698,867	4,708,309	3,569,187	3,825,416	6,352,727
Total liabilities	3,295,185	3,714,595	2,911,996	3,141,168	5,166,531
Total equity	1,403,682	993,714	657,191	684,248	1,186,196
Cash and bank balances (include short-term bank deposits)	999,455	711,127	532,147	450,666	1,505,527
	HK cents	HK cents	HK cents	HK cents	HK cents
Per share data					
Basic earnings/(loss) per share	58.96	44.67	(5.85)	(74.46)	13.96
Diluted earnings/(loss) per share	58.74	44.67	(5.85)	(74.46)	13.95
Dividend per share					
Interim	–	–	–	–	–
Final	6.0	–	–	–	–
Special	3.0	–	–	–	–
Total	9.0	–	–	–	–

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