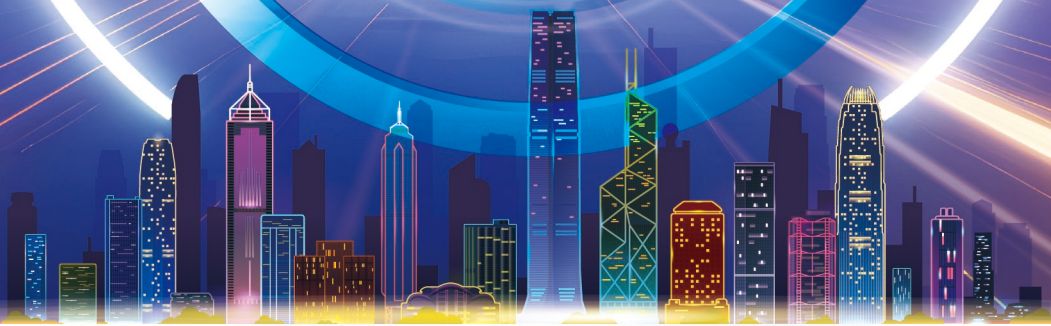


Create a Lasting Foundation, Rising with Momentum



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

Contents

	Page
Corporate Information	2
Chairman's Statement	3
Strategic Review and Planning	6
Management Discussion and Analysis	7
Other Information	10
Condensed Consolidated Income Statement (Unaudited)	15
Condensed Consolidated Statement of Comprehensive Income (Unaudited)	16
Condensed Consolidated Balance Sheet (Unaudited)	17
Condensed Consolidated Statement of Changes in Equity (Unaudited)	19
Condensed Consolidated Statement of Cash Flows (Unaudited)	20
Notes to the Condensed Consolidated Interim Financial Information (Unaudited)	21

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 HM 11

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

Chairman's Statement

Business Review

Midland Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") announce that for the six months ended 30 June 2025 (the "Interim Period"), the Group recorded a profit attributable to equity holders of approximately HK\$151 million, representing a 13% decrease as compared with that for the corresponding period in 2024. Despite the lack of major property policy changes in the Interim Period since the complete removal of all the demand-side management measures for the property market last year, the Group's interim results remained stable. This was attributable to the Group's pre-emptive restructuring, resilience and adaptability of our business model, as well as the Group's ability to capitalise on the evolving trends in the Hong Kong property market.

Property Market Continues to Bottom Out

During the Interim Period, the Hong Kong property market continued to experience volatility in transaction activities. The market started on a low note as the Lunar New Year was typically a quiet season as Mainland buyers return home. However, the market turned active from mid-February to mid-March 2025, driven by the rise of DeepSeek, an AI startup, and the Chinese Central Government's support for the private sector, which once pushed the Hang Seng Index to a recent-year high. The budget announced in February 2025 also benefited the property market, with the initiative to slash stamp duty on property transactions valued below HK\$4 million, providing an immediate boost to low-end segment sales. But the market slowed down briefly in April 2025 due to the escalation of the U.S.-China trade dispute. Then the market sales volume rose again in May 2025 as the HIBOR fell sharply, further pushing mortgage rates lower than rental yields.

In the first half of 2025, the primary residential property market continued to be a key driver of the Group's performance, with Mainland buyers providing strong support to Hong Kong's property sales activities. The primary residential property sales volume reached the highest level in the recent six years, according to the Sales of First-hand Residential Properties Electronic Platform which keeps track the real-time sales activities. Additionally, initial progress was made in reducing new home inventory, with potential supply dropping from a peak of 112,000 units to 105,000 units in the first quarter of the year. The secondary property market also saw a slight gain of 2% in the number of sales registrations as compared to last year.

Volume Up, Value Down

Notably, while the volume of the overall residential property sales registration increased, the total transaction value declined. The divergence mainly came from the local primary market. According to the Sales of First-hand Residential Properties Electronic Platform, the primary homes transaction value even fell by 20% despite an increase of 8.2% in the number of transactions. This was primarily due to the reduction in stamp duty to the flat rate of HK\$100 for properties valued at HK\$4 million or below, making low-end properties more attractive, particularly for multiple property buyers. Additionally, local buyers have been more cautious, opting for smaller and more affordable properties. The Group believes that, in the long run, a market driven by small-to-medium sized units will contribute to a healthy development.

Rental Market Resilient

Hong Kong's rental market has shown remarkable resilience, driven by the city's growing reputation as a premier education hub and the influx of non-local talents attracted by various talent schemes. The number of non-local students and dependents of talent scheme applicants has increased significantly, boosting housing demand and supporting the rental market. For some local residents, mortgage payments are lower than those of rental due to rising rents and falling interest rate, making buying a home more viable than renting.

Chairman's Statement (continued)

Outlook

Unpredictability of the U.S. Policies and Resilience of the Mainland Economy

The global economic outlook has become much more uncertain due to the unpredictability of the trade and foreign policies under the current U.S. government. Geopolitical risks have also heightened after the U.S. bombing of Iran. The imposition of tariffs may lead to inflation, which may complicate central banks' decisions on interest rates. While the U.S. and Mainland China have reached an agreement to de-escalate trade tensions, the unpredictability of U.S. trade policies still leaves open the possibility of turbulence in the global trade environment.

Mainland China's economy has performed relatively well so far in 2025. After achieving a growth of 5.4% in the first quarter of 2025, Mainland China's GDP continued to rise by 5.2% in the second quarter. Additionally, China's consumer price index (CPI) edged up 0.1% in June 2025 from a year ago, beating expectations for a flat reading. This suggests a potential improvement in consumer demand, partly helped by a consumer goods trade-in scheme offering subsidies. If there are further stimulus strengthening the Mainland economy, Hong Kong will benefit.

Reignition of Three Key Economic Engines

Financial Market Stands Out

Recent developments in the U.S. have pushed a significant amount of capital into Hong Kong, making it a safe haven for funds and dispelling concerns about the city's status as a financial hub. Hong Kong Financial Secretary Paul Chan estimated in mid-June 2025 that the HIBOR will remain at a low level for quite some time. Capital is expected to keep flowing into Hong Kong, driven by a strong initial public offerings (IPO) market. Despite the rise in recent weeks, HIBOR is still way lower than the recent peak.

Indeed, Hong Kong became the leading global destination for IPO in the first half of 2025, surpassing Wall Street's long-standing dominance. This stellar performance of the IPO market can be attributed to several key factors: Hong Kong is well-positioned as the gateway to Mainland China's massive consumer market; investor preference for Hong Kong's stable and reliable financial hub status over the political uncertainty surrounding the U.S. market; and Chinese firms opting to list in Hong Kong to avoid potential delisting risks on Wall Street. The secondary listing of Contemporary Amperex Technology in Hong Kong is one of the most successful IPO cases recently.

Tourism Rebounds in Visitor Numbers

In the first half of 2025, the number of tourist arrivals went up 12% from that in 2024. Kai Tak Sports Park has added new impetus to the Hong Kong economy, transforming the live entertainment industry of this city and drawing tourists around the world. The Group expects that after the completion of the WestK Performing Arts Centre next year, there will be internationally popular shows to take stage in Hong Kong. By then, the live entertainment industry will reach a new height befitting Hong Kong's potential to become a regional cultural and entertainment hub, potentially driving both visitor numbers and tourism revenue.

Chairman's Statement (continued)

Outlook (continued)

Reignition of Three Key Economic Engines (continued)

Education Sector Gains Momentum

Hong Kong's status as an education hub has strengthened further in 2025. According to the QS World University Rankings 2025, Hong Kong now has five universities ranked among the top 100 globally, the most among Asian cities. The University of Hong Kong leads the charge, along with the Hong Kong University of Science and Technology, the Chinese University of Hong Kong, and the City University of Hong Kong, all of which have improved their global rankings. While the U.S. Trump administration has attempted to ban the recruitment of international students by Harvard University, the universities in Hong Kong have been eager to attract non-local students. The Group believes the status of Hong Kong as an education hub will reach a new height. Furthermore, the Hong Kong Government's recent move to relax the process for converting hotels and commercial buildings into hostels was made to address the severe shortage of student accommodation, also helped to enhance Hong Kong's appeal as a global education hub.

Property Prices Reaching for Support

The Hong Kong property market has experienced some important developments in the first half of 2025. While property prices have dropped slightly in the first half of 2025, down by around 0.6% as compared to the 2.9% decline in the corresponding period of the previous year, the rental market has shown remarkable resilience. Rents have risen by 1.17%, coming close to an all-time high. At the same time, the drop in HIBOR has made mortgage rates more attractive, lower than the rental yields for smaller units, hence buying property has become more attractive than renting. In the meantime, some renowned financial institutions have turned more positive on the Hong Kong property market, and they foresaw modest gains in prices in the second half of this year or in next years. Furthermore, the Hong Kong Government has been discussing with the Central Government about establishing a "property connect" mechanism, similar to the Stock Connect, that would allow capital to flow in and out of the Mainland through the same channel. The proposed mechanism aims to streamline fund flows while preventing capital outflows, and is expected to drive Mainland buyer interest in Hong Kong's high-end property market. If implemented, such property connect measure is likely to benefit to boost housing demand, particularly for high-end properties. Nonetheless, some market participants have still been struggling with debt issues, and the drop in HIBOR from the recent peak, while providing a lifeline, it was not enough to turn their situation around. Selling pressure is not easy to dissipate in any meaningful way in the short term.

Appreciation

I would like to express my sincere gratitude to our dedicated team, whose unwavering commitment and adaptability have been instrumental in navigating the challenges of the past year. I would also like to thank our clients and partners for their continued trust and support, which have been crucial to our success.

Looking ahead, we remain steadfast in our pursuit of excellence and are confident that the Group will continue to thrive in the years to come.

WONG Kin Yip, Freddie
Chairman

Strategic Review and Planning

Driving Productivity and Operational Efficiency

In 2025, the Group continued to place a strong emphasis on improving productivity across its operations. The strategic reshuffle and enhancement of the management teams implemented in 2024 have borne fruit, leading to remarkable results for the Group which was unaffected by the contraction of the property transaction value. Under the leadership of the new management team, the reengineering efforts of the Group successfully drove improved cross-districts sales cooperation and enhanced overall operational efficiencies, which allowed the Group's Hong Kong and Mainland property agency operations to deliver a solid financial performance. The operational improvement helped mitigate negative impacts brought by the drop in total transaction value of primary units. Notably, the Group's Mainland operation remained profitable in the first half of 2025, building on the turnaround achieved in 2024.

Optimising the Physical Footprint Amidst Changing Industry Dynamics

The Group recognised the evolving industry dynamics, as the number of estate agents and outlets continued to decline throughout 2025. This downward trend underscored the difficulties faced by small to medium-sized agencies in the new era. Without the resources to invest in building robust digital platforms or developing AI-powered business capabilities, these smaller players struggle to remain competitive.

During the Interim Period, the Group remained focused on optimising its existing footprint by strategically managing the size of its branches, while maintaining a strong presence in key markets. This approach, combined with the ongoing investments in technology, enabled the Group to achieve operational efficiencies and continue delivering exceptional online and offline service to its clients.

Strengthening Client Relationships

Recognising the importance of building a strong client base, the Group continued to explore innovative ways to engage with customers. One of such initiatives was the programme launched in collaboration with Standard Chartered Bank, which allowed tenants to use credit cards to settle their rental deposits and advanced payments. This unique offering not only provided added convenience to clients but also helped the Group establish long-term relationships with potential buyers. As the Hong Kong property market navigates the rising rent and falling interest rate environment, the Group is well-equipped to capitalise on this client base and convert them into homebuyers. Meanwhile, the Group has also offered its property investment clients a free coverage of Midland Landlord Protection Insurance Policy, covering their potential loss due to reasons such as tenants failing to pay rent.

Looking Ahead: Navigating Uncertainties and Seizing Opportunities

As the Group looks to the future, it remains cautiously optimistic about the outlook for the Hong Kong property market. The Group firmly believes that property ownership is a deeply ingrained value of Hong Kong people and it is expected that the Group will proactively roll out various initiatives to rekindle and invigorate the confidence and desire of Hong Kongers to own property.

While the unpredictability of U.S. policies and the strength of the Mainland economy continue to shape the market landscape, the Group is well-positioned to navigate these evolving industry dynamics. By capitalising on the recovery of the Hong Kong property market, optimising its operations, and strengthening its client relationships, the Group is confident that, with 52 years of customer support and collective efforts, it will drive business development, achieve sustained growth, and deliver long-term value for its stakeholders.

WONG Ching Yi, Angela
Deputy Chairman and Managing Director

Management Discussion and Analysis

The Chairman's Statement from pages 3 to 5 and the Strategic Review and Planning on page 6 form part of the 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 30 June 2025, the Group had cash and bank balances of HK\$722,164,000 (as at 31 December 2024: HK\$711,127,000).

As at 30 June 2025, the Group did not have any interest-bearing borrowings (as at 31 December 2024: nil).

The gross gearing ratio, which is calculated on the basis of total borrowings over the total equity, was also zero per cent (as at 31 December 2024: zero per cent). The liquidity ratio, which represents a ratio of current assets over current liabilities, to reflect the adequacy of the financial resources, was 1.3 (as at 31 December 2024: 1.2). The return on equity, which is the ratio of profit for the period over the total equity of the Group, was 13.25% (for the six months ended 30 June 2024: 20.74%).

As at 30 June 2025, the Group has unutilised borrowing facilities amounting to HK\$1,168,000,000 (as at 31 December 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 30 June 2025, 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\$2,936,433,000 (as at 31 December 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 Mainland China 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.

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

As at 30 June 2025, the outstanding loan receivables was HK\$1,958,000 (as at 31 December 2024: HK\$413,000) represented loans to employees. The outstanding loan balance involved 4 cases (as at 31 December 2024: 5 cases) with different borrowers.

As at 30 June 2025, the largest outstanding loan receivable was HK\$1,246,000 (representing approximately 64% of the outstanding loan portfolio as a whole). No impairment loss on loan amount was made during the period (for the six months ended 30 June 2024: nil).

Management Discussion and Analysis *(continued)*

Financial Review *(continued)*

Information on the Group's loan portfolio and money lending business *(continued)*

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.

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 Competition 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 July 2025. Recently, the High Court has informed the parties that the Judgment will only be available by 30 September 2025. It should also be noted that this date is subject to a potential extension depending on the schedule of the Court and other factors.

Management Discussion and Analysis (continued)

Financial Review (continued)

Contingent liabilities (continued)

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 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 the 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 condensed consolidated financial statements of the Group as at 30 June 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 condensed 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 30 June 2025, the Group employed 4,640 full time employees (as at 31 December 2024: 4,593) of which 4,019 were sales agents, 409 were back office supportive employees and 212 were frontline supportive employees.

The emolument policy regarding 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.

Other Information

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

As at 30 June 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 Securities and Futures Ordinance (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 of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") 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 interim report.
- These shares were held by Sunluck Services Limited ("Sunluck") which was indirectly wholly-owned by Mr. WONG Kin Yip, Freddie through his wholly-owned company, namely Southern Field Trading Limited ("Southern Field").

Save as disclosed above, as at 30 June 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.

Other Information (continued)

Directors' Rights to Acquire Shares or Debentures

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

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

As at 30 June 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 <i>(Note 1)</i>	270,112,974 (L)	Interest of spouse/Family interest	37.68%
Southern Field <i>(Note 2)</i>	265,525,824 (L)	Interest of controlled corporation/ Corporate interest	37.04%
Sunluck <i>(Note 2)</i>	265,525,824 (L)	Beneficial owner/Beneficial interest	37.04%
Sun Life Financial, Inc. <i>(Note 3)</i>	47,984,100 (L)	Interest of controlled corporations/ Corporate interest	6.69%
Sun Life of Canada (U.S.) Financial Services Holdings, Inc. <i>(Note 3)</i>	47,984,100 (L)	Interest of controlled corporations/ Corporate interest	6.69%
Massachusetts Financial Services Company <i>(Note 3)</i>	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 <i>(Note 4)</i>	38,650,000 (L)	Investment manager/Other interest	5.39%
LAM Yuen Hing <i>(Note 4)</i>	27,625,000 (L) 21,575,000 (L)	Beneficial owner/Beneficial interest Interest of spouse/Family interest	3.85% 3.01%

Remark: (L) – Long Position

Other Information (continued)

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 interim 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 interim report. Southern Field was deemed to be interested in such ordinary shares of the Company held by Sunluck.
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 30 June 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.

Other Information (continued)

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”).

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

Name	Date of grant <i>(Note 1)</i>	Exercise price per share HK\$	Number of share options					Balance outstanding as at 30 June 2025	Exercisable period	
			Balance outstanding as at 1 January 2025	Granted during the Interim Period	Lapsed during the Interim Period	Cancelled during the Interim Period	Exercised during the Interim Period			
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	
Total			9,174,300	–	–	–	–	9,174,300		

Notes:

1. The vesting period of the share options is from the date of grant until the commencement of the exercisable period.
2. 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.
3. The total number of options available for grant under the scheme mandate of the Share Option Scheme as at 1 January 2025 and 30 June 2025 was 26,728,000 shares.

Other Information (continued)

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	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 treasury shares as defined under the Listing Rules) during the Interim Period.

Interim Dividend

The board of Directors does not declare an interim dividend for the Interim Period (for the six months ended 30 June 2024: nil).

Review of Financial Statements

The audit committee of the Company has reviewed and discussed with the management the unaudited condensed consolidated interim financial information of the Group for the Interim Period, and also reviewed this interim report.

Corporate Governance

The Company has complied with all the applicable code provisions set out in the Corporate Governance Code as stated in Appendix C1 to the Listing Rules throughout the Interim Period.

Code of Conduct Regarding Securities Transactions by Directors

The Company has adopted its own code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code.

On specific enquiries made, all the Directors confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions at all applicable times during the Interim Period.

Condensed Consolidated Income Statement (Unaudited)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	Six months ended 30 June	
		2025 HK\$'000	2024 HK\$'000
Revenues	3	2,517,917	3,318,795
Other loss, net	4	(229)	(687)
Rebates	3	(966,748)	(1,519,647)
Staff costs		(1,071,278)	(1,228,067)
Advertising and promotion expenses		(45,350)	(49,741)
Operating lease charges in respect of office and shop premises		(11,580)	(15,908)
Depreciation of right-of-use assets		(127,418)	(149,776)
Depreciation of property and equipment		(11,577)	(18,209)
Net impairment losses on financial assets		(7,267)	(13,395)
Other operating costs	5	(97,588)	(108,816)
Operating profit		178,882	214,549
Bank interest income		1,229	2,904
Finance costs	6	(8,967)	(15,831)
Share of results of joint ventures		6,482	4,788
Profit before income tax		177,626	206,410
Income tax expense	7	(26,236)	(32,343)
Profit for the period attributable to equity holders of the Company		151,390	174,067
		HK cents	HK cents
Earnings per share			
Basic and diluted	9	21.12	24.27

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Profit for the period	151,390	174,067
Other comprehensive (loss)/income		
<i>Item that will not be reclassified to profit or loss</i>		
Change in fair value of financial assets at fair value through other comprehensive income	(4)	(1)
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	(2,055)	8,066
Other comprehensive (loss)/income for the period, net of tax	(2,059)	8,065
Total comprehensive income for the period attributable to equity holders of the Company, net of tax	149,331	182,132

Condensed Consolidated Balance Sheet (Unaudited)

AS AT 30 JUNE 2025

		As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
	Note		
ASSETS			
Non-current assets			
Property and equipment		86,250	93,635
Right-of-use assets		247,563	205,097
Investment properties	10	24,241	25,436
Interests in joint ventures		26,420	19,938
Financial assets at fair value through other comprehensive income		347	512
Deferred income tax assets		23,135	25,390
Loan receivables	11	1,746	220
Other non-current asset		10,110	10,110
		<u>419,812</u>	<u>380,338</u>
Current assets			
Trade and other receivables	12	3,279,176	3,616,173
Tax recoverable		251	478
Loan receivables	11	212	193
Cash and cash equivalents		722,164	711,127
		<u>4,001,803</u>	<u>4,327,971</u>
Total assets		<u>4,421,615</u>	<u>4,708,309</u>

Condensed Consolidated Balance Sheet (Unaudited) (continued)

AS AT 30 JUNE 2025

		As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
	Note		
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	13	71,690	71,709
Share premium		222,097	222,235
Reserves		849,101	699,770
Total equity		1,142,888	993,714
LIABILITIES			
Non-current liabilities			
Other payables and accruals	14	44,684	37,683
Deferred income tax liabilities		5,660	6,153
Lease liabilities		90,744	58,708
		141,088	102,544
Current liabilities			
Trade and other payables	14	2,937,696	3,443,571
Lease liabilities		172,733	164,034
Current income tax liabilities		27,210	4,446
		3,137,639	3,612,051
Total liabilities		3,278,727	3,714,595
Total equity and liabilities		4,421,615	4,708,309

Condensed Consolidated Statement of Changes in Equity (Unaudited)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Share capital HK\$'000	Share premium HK\$'000	Reserves HK\$'000	Total HK\$'000
At 1 January 2025	71,709	222,235	699,770	993,714
Comprehensive income				
Profit for the period	–	–	151,390	151,390
Other comprehensive loss				
Change in fair value of financial assets at fair value through other comprehensive income	–	–	(4)	(4)
Currency translation differences	–	–	(2,055)	(2,055)
Total comprehensive income	–	–	149,331	149,331
Transaction with owners				
Cancellation of shares repurchased	(19)	(138)	–	(157)
At 30 June 2025	71,690	222,097	849,101	1,142,888
At 1 January 2024	71,709	222,235	363,247	657,191
Comprehensive income				
Profit for the period	–	–	174,067	174,067
Other comprehensive (loss)/income				
Change in fair value of financial assets at fair value through other comprehensive income	–	–	(1)	(1)
Currency translation differences	–	–	8,066	8,066
Total comprehensive income	–	–	182,132	182,132
At 30 June 2024	71,709	222,235	545,379	839,323

Condensed Consolidated Statement of Cash Flows (Unaudited)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Cash flows from operating activities		
Net cash generated from operations	156,068	112,280
Hong Kong profits tax paid	(1,509)	(1,807)
Borrowings and overdrafts interest paid	(2,125)	(8,663)
Interest element of lease payments	(6,842)	(7,168)
	<hr/>	<hr/>
Net cash inflow from operating activities	145,592	94,642
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of property and equipment	(4,738)	(3,047)
Net proceeds from disposal of property and equipment	–	30
Return of capital from financial assets at fair value through other comprehensive income	161	192
Bank interest received	1,229	2,904
	<hr/>	<hr/>
Net cash (outflow)/inflow from investing activities	(3,348)	79
	<hr/>	<hr/>
Cash flows from financing activities		
Purchase of own shares	(157)	–
Principal element of lease payments	(131,415)	(155,218)
Proceeds from borrowings	560,000	800,000
Repayment of borrowings	(560,000)	(606,527)
	<hr/>	<hr/>
Net cash (outflow)/inflow from financing activities	(131,572)	38,255
	<hr/>	<hr/>
Net increase in cash and cash equivalents	10,672	132,976
Cash and cash equivalents at 1 January	711,127	532,147
Exchange differences	365	(541)
	<hr/>	<hr/>
Cash and cash equivalents at 30 June	722,164	664,582
	<hr/>	<hr/>

Notes to the Condensed Consolidated Interim Financial Information (Unaudited)

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, Mainland China and Macau, property leasing, immigration consultancy services and money lending services.

This unaudited condensed consolidated interim financial information is presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

This unaudited condensed consolidated interim financial information was approved by the board of directors (the “Board”) on 21 August 2025.

2 Basis of preparation

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 has 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, and also prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The unaudited condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with HKFRS Accounting Standards.

The accounting policies used in preparing this unaudited condensed consolidated interim financial information are consistent with those followed in preparing the Group’s consolidated financial statements for the year ended 31 December 2024, except for the adoption of the amended HKFRS Accounting Standards which are relevant to the operations of the Group and mandatory for annual periods beginning 1 January 2025.

Significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

(a) 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.

(b) 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. The adoption of these 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 Condensed Consolidated Interim Financial Information (Unaudited) (continued)

3 Revenues and segment information

The chief operating decision-makers have been identified as the executive directors of the Company (the “Executive Directors”). The Executive Directors review the Group’s internal reports in order to assess performance and allocate resources. The Executive Directors 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, Mainland China and Macau.

Revenues recognised during the periods are as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Revenues from contracts with customers within the scope of HKFRS 15		
Disaggregated by major service lines		
– Agency fee	2,510,166	3,312,127
– Immigration consultancy services	4,155	3,603
– Web advertising	221	108
– Other services	2,455	2,176
	<u>2,516,997</u>	<u>3,318,014</u>
Revenues from other sources		
– Rental income	857	730
– Interest income from loan receivables	63	51
	<u>920</u>	<u>781</u>
Total revenues	<u>2,517,917</u>	<u>3,318,795</u>

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

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Revenues from property agency business	2,510,166	3,312,127
Rebates (note)	<u>(966,748)</u>	<u>(1,519,647)</u>
Revenues less rebates	1,543,418	1,792,480
Net segment operating costs and income	<u>(1,337,833)</u>	<u>(1,554,545)</u>
Segment results of property agency business (as below)	<u>205,585</u>	<u>237,935</u>

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

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

3 Revenues and segment information (continued)

Segment information for six months ended 30 June 2025 and 2024 are as follows:

	Six months ended 30 June 2025				
	Property agency		Subtotal HK\$'000	Others HK\$'000	Total HK\$'000
	Residential properties HK\$'000	Commercial and industrial properties and shops HK\$'000			
Segment revenues	2,481,351	28,815	2,510,166	11,118	2,521,284
Inter-segment revenues	–	–	–	(3,367)	(3,367)
Revenues from external customers	2,481,351	28,815	2,510,166	7,751	2,517,917
Timing of revenue recognition					
– At a point in time	2,481,351	28,815	2,510,166	2,455	2,512,621
– Over time	–	–	–	4,376	4,376
Rental income	–	–	–	857	857
Interest income from loan receivables	–	–	–	63	63
	2,481,351	28,815	2,510,166	7,751	2,517,917
Revenues	2,481,351	28,815	2,510,166	7,751	2,517,917
Rebates	(963,469)	(3,279)	(966,748)	–	(966,748)
Revenues less rebates	1,517,882	25,536	1,543,418	7,751	1,551,169
Segment results	200,252	5,333	205,585	4,931	210,516
Depreciation of right-of-use assets	(127,255)	(53)	(127,308)	(110)	(127,418)
Depreciation of property and equipment	(10,937)	(164)	(11,101)	(242)	(11,343)
(Impairment losses)/reversal of impairment on financial assets	(7,364)	82	(7,282)	15	(7,267)
Share of results of joint ventures	–	–	–	6,482	6,482
Fair value losses on investment properties	–	–	–	(1,325)	(1,325)
Impairment losses on right-of-use assets, net of reversals	(2,172)	(472)	(2,644)	–	(2,644)
Impairment losses on property and equipment	(359)	(78)	(437)	–	(437)
Loss on disposal of property and equipment	(369)	(53)	(422)	–	(422)
Additions to property and equipment	4,597	106	4,703	35	4,738

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

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

3 Revenues and segment information (continued)

	Six months ended 30 June 2024				
	Property agency		Subtotal	Others	Total
	Residential properties	Commercial and industrial properties and shops			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenues	3,290,690	21,437	3,312,127	10,789	3,322,916
Inter-segment revenues	–	–	–	(4,121)	(4,121)
Revenues from external customers	3,290,690	21,437	3,312,127	6,668	3,318,795
Timing of revenue recognition					
– At a point in time	3,290,690	21,437	3,312,127	2,176	3,314,303
– Over time	–	–	–	3,711	3,711
Rental income	–	–	–	730	730
Interest income from loan receivables	–	–	–	51	51
	3,290,690	21,437	3,312,127	6,668	3,318,795
Revenues	3,290,690	21,437	3,312,127	6,668	3,318,795
Rebates	(1,516,059)	(3,588)	(1,519,647)	–	(1,519,647)
Revenues less rebates	1,774,631	17,849	1,792,480	6,668	1,799,148
Segment results	237,422	513	237,935	1,342	239,277
Depreciation of right-of-use assets	(149,607)	(59)	(149,666)	(110)	(149,776)
Depreciation of property and equipment	(17,321)	(358)	(17,679)	(296)	(17,975)
Net impairment losses on financial assets	(12,048)	(1,347)	(13,395)	–	(13,395)
Share of results of joint ventures	–	–	–	4,788	4,788
Fair value losses on investment properties	–	–	–	(1,983)	(1,983)
Impairment losses on right-of-use assets, net of reversals	(382)	(119)	(501)	–	(501)
Impairment losses on property and equipment	(43)	(13)	(56)	–	(56)
Loss on disposal of property and equipment	(75)	(10)	(85)	–	(85)
Additions to property and equipment	3,019	18	3,037	10	3,047

Note: The share of results and interests in joint ventures mainly represent the financial information of mReferral Corporation Limited and its subsidiaries that are material to the Group.

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

3 Revenues and 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 condensed consolidated income statement.

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

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Segment results for reportable segments	210,516	239,277
Corporate expenses	(31,994)	(27,108)
Bank interest income	1,229	2,904
Interest on bank borrowings, overdrafts and other borrowings	(2,125)	(8,663)
Profit before income tax	177,626	206,410

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 30 June 2025				
	Property agency		Subtotal	Others	Total
	Residential properties	Commercial and industrial properties and shops			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	3,941,429	38,527	3,979,956	63,012	4,042,968
Segment assets include:					
Interests in joint ventures	–	–	–	26,420	26,420
Segment liabilities	3,208,572	34,504	3,243,076	8,332	3,251,408

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

3 Revenues and 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:

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Segment assets	4,042,968	4,201,795
Corporate assets	345,055	470,502
Deferred tax assets	23,135	25,390
Other non-current asset	10,110	10,110
Financial assets at fair value through other comprehensive income	347	512
Total assets	4,421,615	4,708,309

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

3 Revenues and segment information (continued)

Reportable segment liabilities are reconciled to total liabilities as follows:

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Segment liabilities	3,251,408	3,682,061
Corporate liabilities	21,659	26,381
Deferred tax liabilities	5,660	6,153
Total liabilities	3,278,727	3,714,595

Geographical information:

	Six months ended 30 June 2025 HK\$'000	2024 HK\$'000
Revenues from external customers		
Hong Kong and Macau	2,367,952	3,182,422
Mainland China	149,965	136,373
	2,517,917	3,318,795

Revenues are attributed to the locations where the transactions took place.

4 Other loss, net

	Six months ended 30 June 2025 HK\$'000	2024 HK\$'000
Fair value losses on investment properties (note 10)	(1,325)	(1,983)
Others	1,096	1,296
	(229)	(687)

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

5 Other operating costs

The major other operating costs are as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Direct operating expenses arising from investment properties that:		
– generated rental income	106	102
Office and branch operating expenses (note (i))	43,418	42,107
Government rent and rates, building management fee of leased properties	19,875	20,422
Legal and professional fees	4,298	18,050
Staff recruitment, training and welfare	4,609	2,141
Insurance expenses	7,777	7,682
Bank charges	8,422	8,144
Impairment losses on right-of-use assets, net of reversals (note (ii))	2,644	501
Impairment losses on property and equipment (note (ii))	437	56
Loss on disposal of property and equipment	422	85
Auditor's remuneration		
– audit services	1,165	1,156

Notes:

- (i) Office and branch operating expenses include utilities expenses, communication expenses, printing and stationery, transportation, licence fee and repair and maintenance.
- (ii) 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.

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

6 Finance costs

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Interest on bank borrowings, overdrafts and other borrowings	2,125	8,663
Interest on lease liabilities	6,842	7,168
	<u>8,967</u>	<u>15,831</u>

7 Income tax expense

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Current income tax		
Hong Kong profits tax	24,500	4,522
Deferred income tax	1,736	27,821
	<u>26,236</u>	<u>32,343</u>

Hong Kong profits tax has been calculated at the rate of 16.5% (for the six months ended 30 June 2024: 16.5%) on the estimated assessable profits for the period, except for one subsidiary of the Company which is a qualifying corporation under the two-tiered profits tax rate regime.

For this subsidiary, 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 on the same basis in 2024.

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

8 Interim dividend

The Board does not declare an interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: nil).

Notes to the Condensed Consolidated Interim Financial Information (Unaudited) *(continued)*

9 Earnings per share

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

	Six months ended 30 June	
	2025	2024
Profit attributable to equity holders for the calculation of basic and diluted earnings per share (HK\$'000)	151,390	174,067
Weighted average number of shares for the calculation of basic and diluted earnings per share (thousands)	716,955	717,086
Basic earnings per share (HK cents)	21.12	24.27
Diluted earnings per share (HK cents)	21.12	24.27

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

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 six months ended 30 June 2025 and 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 Condensed Consolidated Interim Financial Information (Unaudited) (continued)

10 Investment properties

	HK\$'000
At 31 December 2024 and 1 January 2025	25,436
Changes in fair value to condensed consolidated income statement (note 4)	(1,325)
Exchange differences	130
At 30 June 2025	<u>24,241</u>

The valuations of the investment properties as at 30 June 2025 were undertaken by Midland Surveyors Limited (as at 31 December 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 Mainland China are generally derived using the income capitalisation method. This valuation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuer's interpretation of prevailing investor requirements or expectations.

The Group's policy is to recognise transfers between fair value measurements as of the date of the event or change in circumstances that caused the transfer. There were no changes to the valuation techniques and transfers among the fair value hierarchy during the period.

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

10 Investment properties (continued)

Information about fair value measurements using significant unobservable inputs:

Location of investment properties	Fair value		Range of significant unobservable inputs	
	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000	Prevailing market rent per month	Capitalisation rate
Hong Kong	20,230	21,340	HK\$45 to HK\$101 per sq. ft. (saleable) (31 December 2024: HK\$47 to HK\$102 per sq. ft. (saleable))	3.70% to 4.80% (31 December 2024: 3.60% to 4.60%)
Mainland China	4,011	4,096	RMB1,110 per sq. m. (gross) (31 December 2024: RMB1,160 per sq. m. (gross))	6.90% (31 December 2024: 6.80%)
Total	24,241	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.

As at 30 June 2025 and 31 December 2024, all investment properties are included in level 3 in the fair value hierarchy. There were no transfer between levels 1, 2 and 3 during the period.

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

11 Loan receivables

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Loan receivables – loans to employee	1,958	413
Less: non-current portion	(1,746)	(220)
Current portion	212	193

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:

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Within 1 year	212	193
Over 1 year but less than 2 years	1,746	220
	1,958	413

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

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

12 Trade and other receivables

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Trade receivables	3,246,825	3,581,769
Less: loss allowance	(142,733)	(151,234)
Trade receivables, net	3,104,092	3,430,535
Other receivables, prepayments and deposits	175,084	185,638
	3,279,176	3,616,173

Trade receivables mainly represent agency fee receivables from customers whereby no general credit terms are granted. The customers are obliged to settle the amounts due upon completion of transaction or pursuant to the terms and conditions of the relevant agreements. The ageing analysis of the trade receivables is as follows:

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Current (not yet due)	2,981,468	3,339,190
Less than 31 days past due	54,026	43,833
31 to 60 days past due	28,412	21,366
61 to 90 days past due	11,408	7,567
More than 90 days past due	28,778	18,579
	3,104,092	3,430,535

The Group's trade 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\$2,936,433,000 as at 30 June 2025 (as at 31 December 2024: HK\$3,286,341,000).

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

13 Share capital

	Number of issued shares (HK\$0.10 each)	Nominal value HK\$'000
At 1 January 2024, 31 December 2024 and 1 January 2025	717,086,005	71,709
Cancellation of shares repurchased	(190,000)	(19)
At 30 June 2025	716,896,005	71,690

During the six months ended 30 June 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.

14 Trade and other payables

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Commissions and rebate payables	2,745,241	3,246,201
Other payables and accruals	237,139	235,053
	2,982,380	3,481,254
Categorised as		
Current portion	2,937,696	3,443,571
Non-current portion	44,684	37,683
	2,982,380	3,481,254

Commissions and rebate 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 rebate payables of HK\$312,326,000 (as at 31 December 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 period end. All the remaining commissions and rebate payables are not yet due.

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 condensed consolidated financial statements.

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

Notes to the Condensed Consolidated Interim Financial Information (Unaudited) *(continued)*

15 Fair value measurement of financial instruments

The financial instruments of the Group, including financial assets at fair value through other comprehensive income, are measured in the condensed 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).

As at 30 June 2025 and 31 December 2024, financial assets at fair value through other comprehensive income are categorised in level 2.

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.

There were no transfers between levels 1, 2 and 3 during the six months ended 30 June 2025 (for the year ended 31 December 2024: nil).

16 Capital commitments

The Group did not have any significant capital commitments as at 30 June 2025 and 31 December 2024.

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

17 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 Competition 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 July 2025. Recently, the High Court has informed the parties that the Judgment will only be available by 30 September 2025. 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 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 the 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 condensed consolidated financial statements of the Group as at 30 June 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 condensed 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.

Notes to the Condensed Consolidated Interim Financial Information (Unaudited) *(continued)*

18 Significant related party transactions

The Group had the following significant transactions with related parties during the period and balances with related parties at the balance sheet date:

(a) Transactions with related parties

	Note	Six months ended 30 June	
		2025	2024
		HK\$'000	HK\$'000
Agency fee income from related companies	(i)	82,091	8,550
Rebates to related companies	(ii)	(8,442)	(20,366)
License fee income from related companies	(iii)	583	715
Agency fee to a related company	(iv)	(148)	–
Interest expenses to a director	(v)	–	(2,350)
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) Rebates to related companies represents rebates 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.

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

18 Significant related party transactions (continued)

(a) Transactions with related parties (continued)

The related companies referred in notes (i), (ii), (iii) and (iv) above represents 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.

During the six months ended 30 June 2025, the Group shared administrative and corporate services fee on a cost basis with an aggregate amount of HK\$12,775,000 (for the six months ended 30 June 2024: HK\$10,225,000) with subsidiaries of Legend Upstar.

- (b) During the six months ended 30 June 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 (for the six months ended 30 June 2024: HK\$2,278,000).

During the six months ended 30 June 2025, lease payments to a subsidiary of Legend Upstar under a lease amounted to HK\$1,162,000 (for the six months ended 30 June 2024: HK\$1,186,000).

- (c) During the six months ended 30 June 2025, lease payments to certain companies, of which Mr. WONG is the beneficial owner, under certain leases amounted to HK\$1,360,000 (for the six months ended 30 June 2024: HK\$1,385,000).

- (d) **The balances with related parties included in trade and other receivables, trade and other payables and lease liabilities are as follows:**

	As at 30 June 2025 HK\$'000	As at 31 December 2024 HK\$'000
Trade and other receivables		
Amounts due from related companies (note 18(a))	72,758	29,477
Trade and other payables		
Amounts due to related companies (note 18(a))	(17,147)	(18,066)
Lease liabilities		
Amount due to a related company (note 18(b))	(1,619)	(503)
Amounts due to other related companies (note 18(c))	(998)	(2,307)

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

18 Significant related party transactions (continued)**(e) Key management compensation**

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Fees, salaries, allowances and incentives	21,041	22,367
Termination benefits	390	–
Retirement benefit costs	23	27
	<u>21,454</u>	<u>22,394</u>

The amount represents emoluments paid or payable to the Executive Directors for the period.