



# MIDLAND HOLDINGS

2025 Annual Results

# Annual 2025 RESULTS

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# Agenda

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**01**

**Financial Highlights**

**02**

**Business Overview**

**03**

**Prospects**

**04**

**Q&A**



# **2025 Annual Results Highlights**

## 2025 Final Results Highlights

	2025 (HK\$' 000)	2024 (HK\$' 000)	Y o Y
Revenue	<b>5,498,926</b>	<b>6,084,239</b>	<b>-9.6%</b>
Operating Costs*	<b>5,015,540</b>	<b>5,710,897</b>	<b>-12.2%</b>
Operating Profit	<b>482,819</b>	<b>370,770</b>	<b>+30.2%</b>
Profit for the Year	<b>422,682</b>	<b>320,323</b>	<b>+32.0%</b>
<i>Rebates to Customers/Agents</i>	<i>(2,078,292)</i>	<i>(2,697,600)</i>	<i>-23.0%</i>
<i>Revenue after Rebates</i>	<i>3,420,634</i>	<i>3,386,639</i>	<i>+1.0%</i>

\* Excluded other income and gains, but included the interest on lease liabilities.

# Reasons for the Improvements

## 32% increase in profit

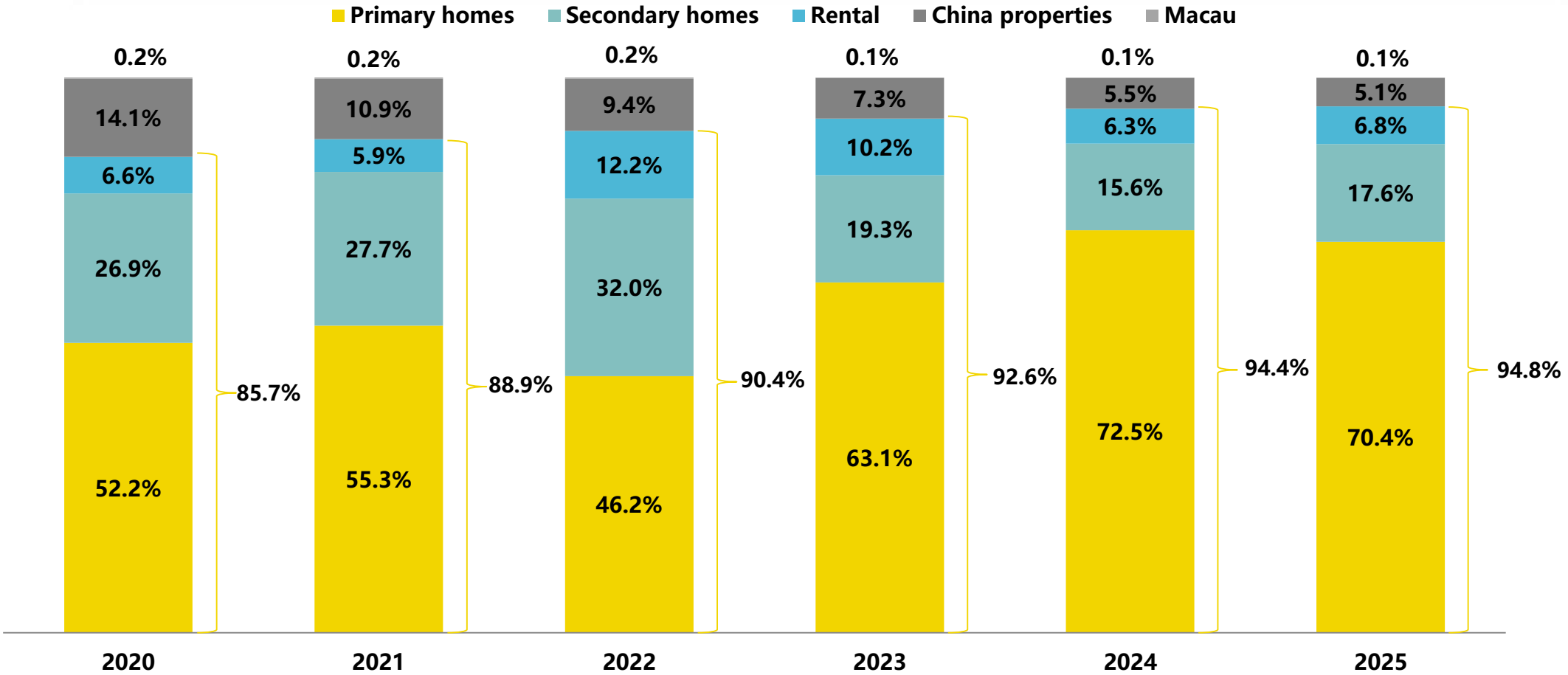
Remarkable performance of all the Group's business units, particularly "Midland Realty" and "Hong Kong Property"

- 1 Success in achieving business growth through a series of management initiatives of the Group amid continued residential market recovery
- 2 Growth in market share in both primary and secondary residential sectors
- 3 Persistent efforts on improving operating efficiency, with a focus on retaining and attracting best talents and delivering high quality services to our clients.

# Key Financial Highlights – Revenue

Year 2025 vs 2024

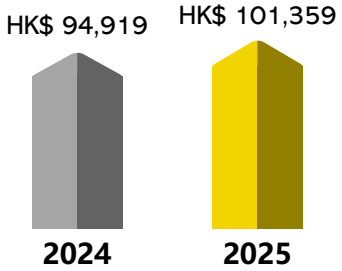
- Revenue of the HK residential market decreased 10% while that from Mainland operation (agency fee only) decreased 14%
- Revenue from secondary markets increased 2%



# Changes in Costs

## Advertisements & Promotions

(HK\$'000)

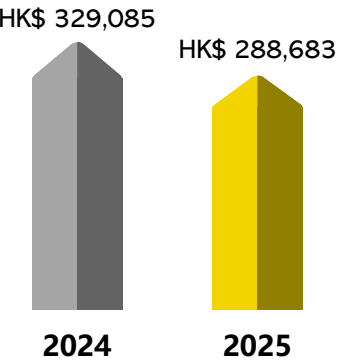


**+ 6.8 % YoY**

- Increase in digital marketing spending in relation to primary project sales
- Traditional media spending declined

## Rental Expenses\*

(HK\$'000)

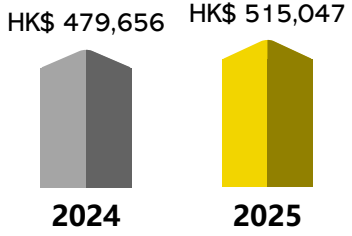


**- 12.3 % YoY**

- Continued to negotiate favorable leasing terms
- But the reduction was not as much as 31.4% achieved in 2024

## Frontline Staff Salaries

(HK\$'000)

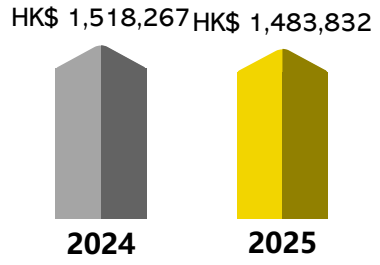


**+ 7.4 % YoY**

Increase in the yearly average number of staff

## Staff Commissions

(HK\$'000)

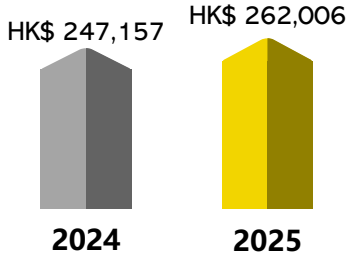


**- 2.3 % YoY**

Payout rate dropped as a result of change in revenue mix

## Non Sales Salaries

(HK\$'000)



**+ 6.0 % YoY**

- Increase in salary
- Increase in bonus payment in light of remarkable performance

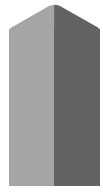
\* Rental expenses represented the operating lease charges, the depreciation of right-of-use assets and interest expenses on lease liabilities.

# Changes in Costs

## Impairment of Receivables

(HK\$'000)

HK\$ 69,186



2024

HK\$ 14,285



2025



Improvement in the settlement status from the customers

## Rebates: To Customers

(HK\$'000)

HK\$ 2,170,166



2024

HK\$ 1,658,034



2025

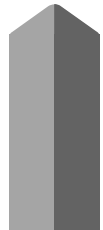


Drop in commission rate in the primary sales led to decrease in rebates expense

## Rebates: To Co-operative Estate Agents

(HK\$'000)

HK\$ 527,434



2024

HK\$ 420,258



2025



Drop in commission rate in the primary sales led to decrease in rebates expense

## Depreciation and Other Operating Costs

(HK\$'000)

HK\$ 246,674



2024

HK\$ 228,544



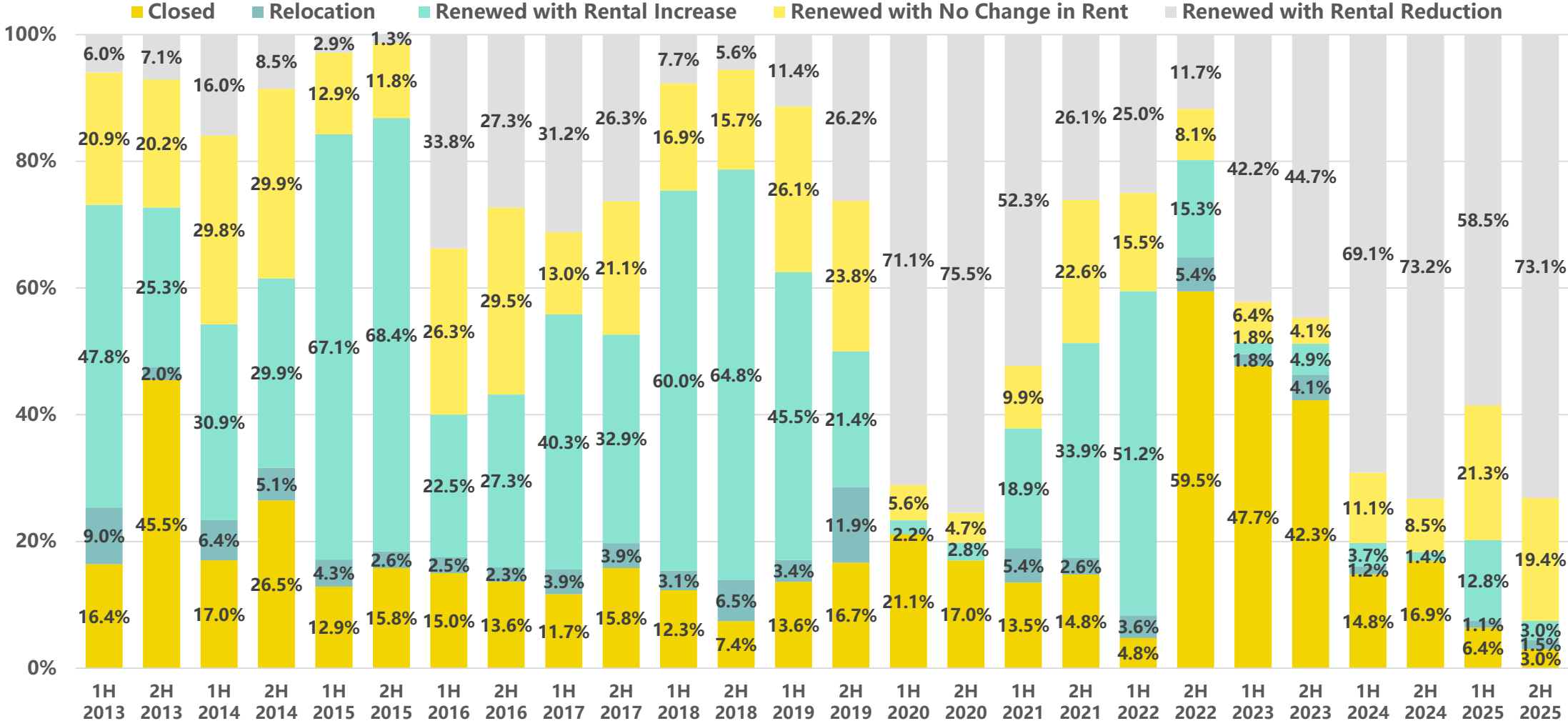
2025



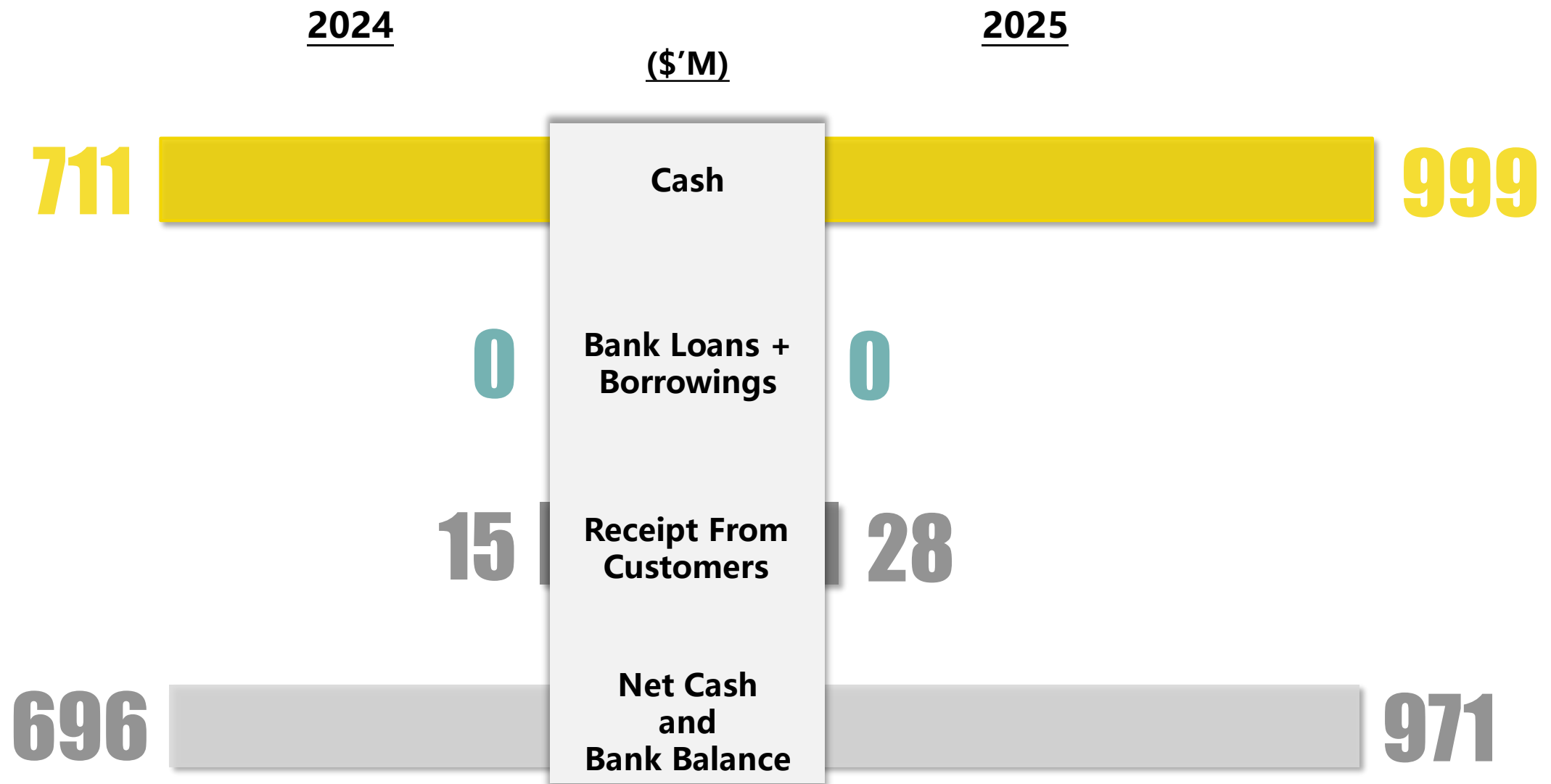
Multi reasons – for example, decrease in branches in Mainland China

# HK Operation : Negotiations on Leases

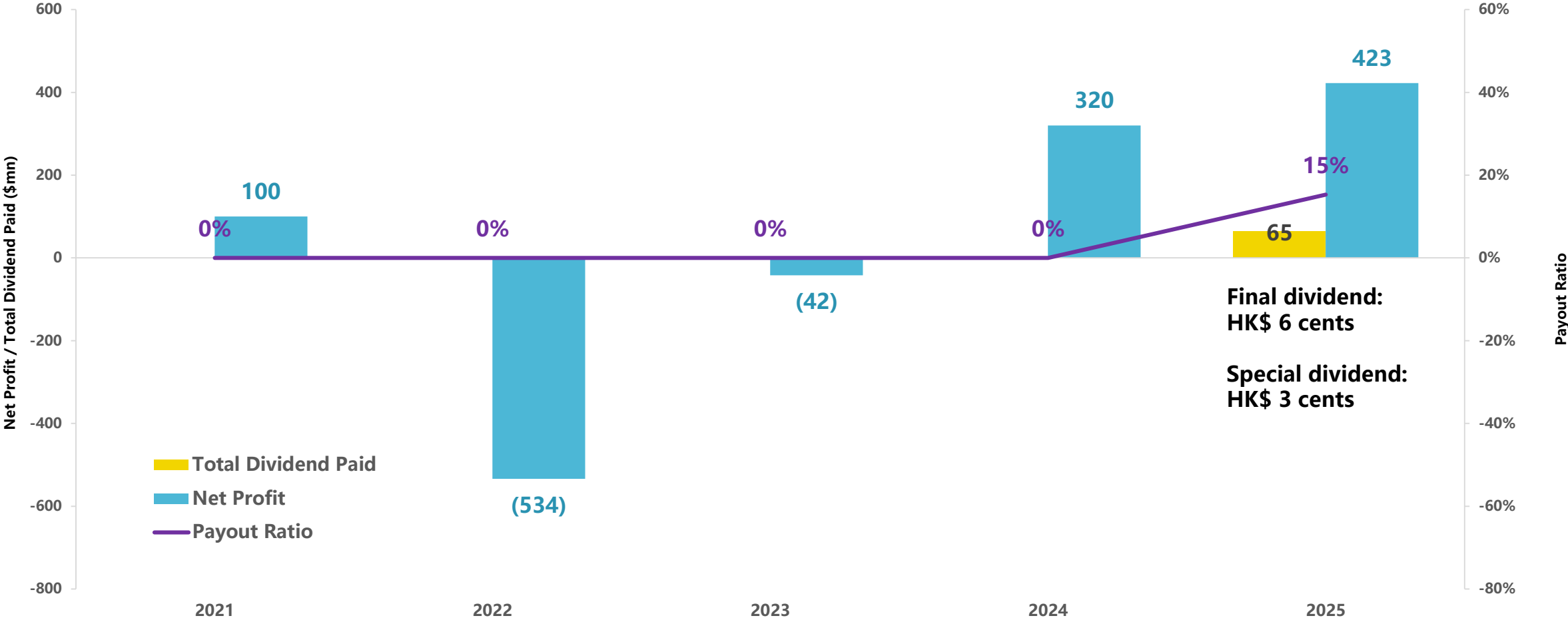
## Negotiated favorable leasing terms



# Increase in Net Cash



# Dividend payout history in recent 5 years

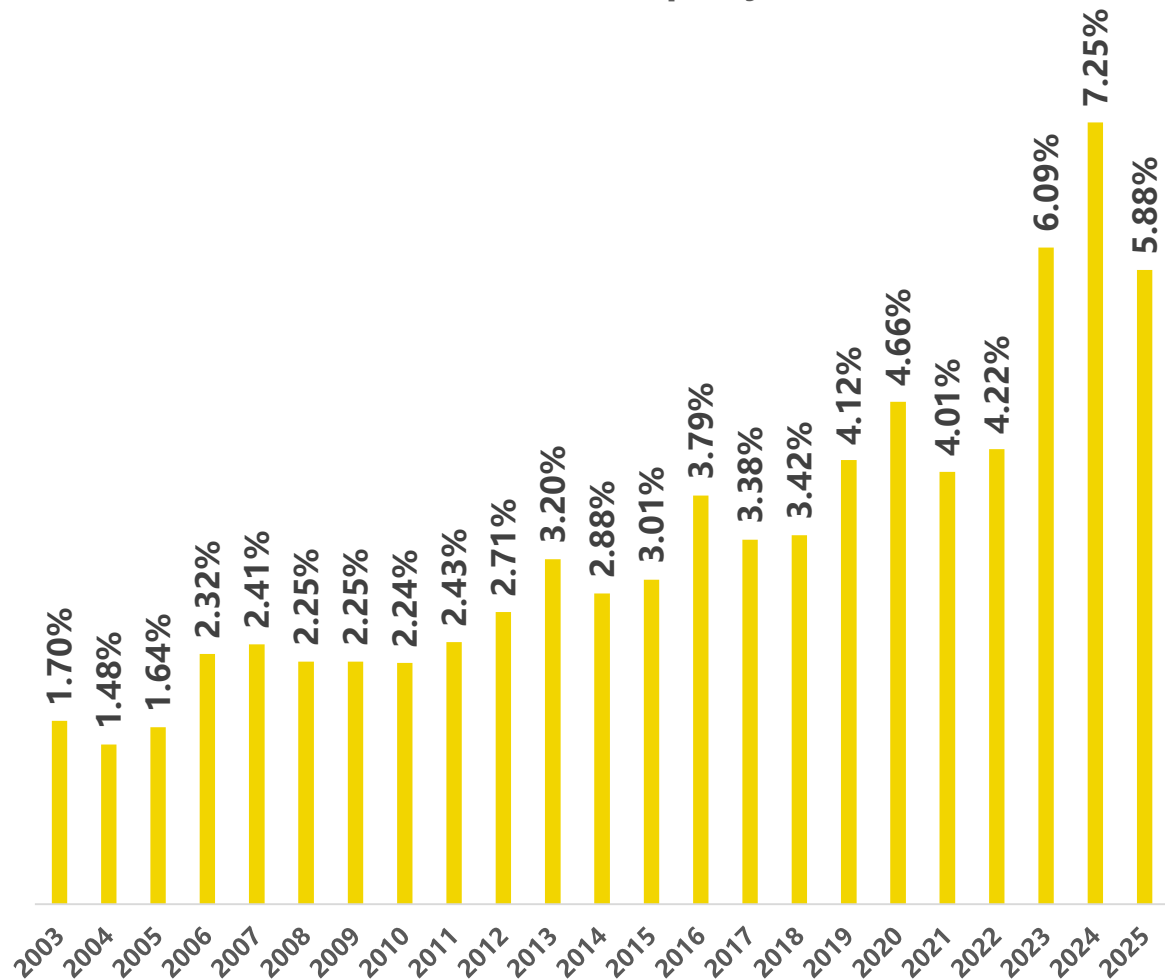




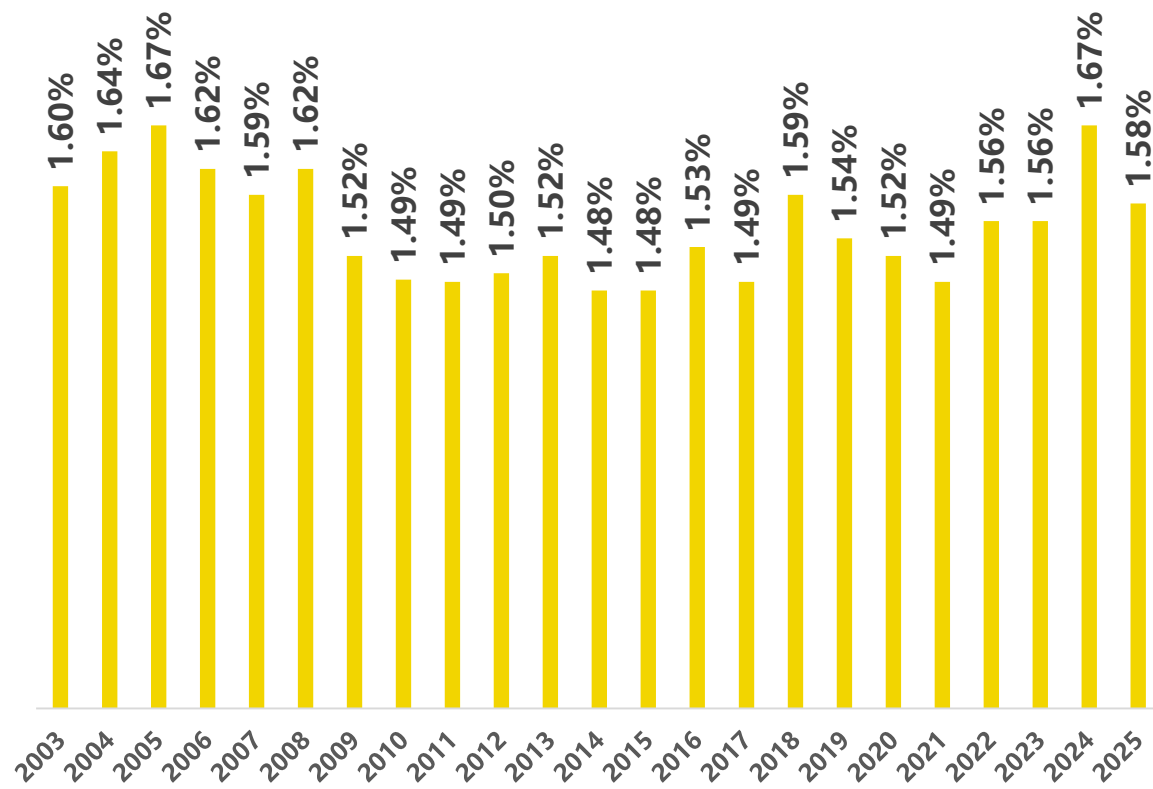
# **Business Overview**

# Gross Commission Rate\*

As a % of New Property Price

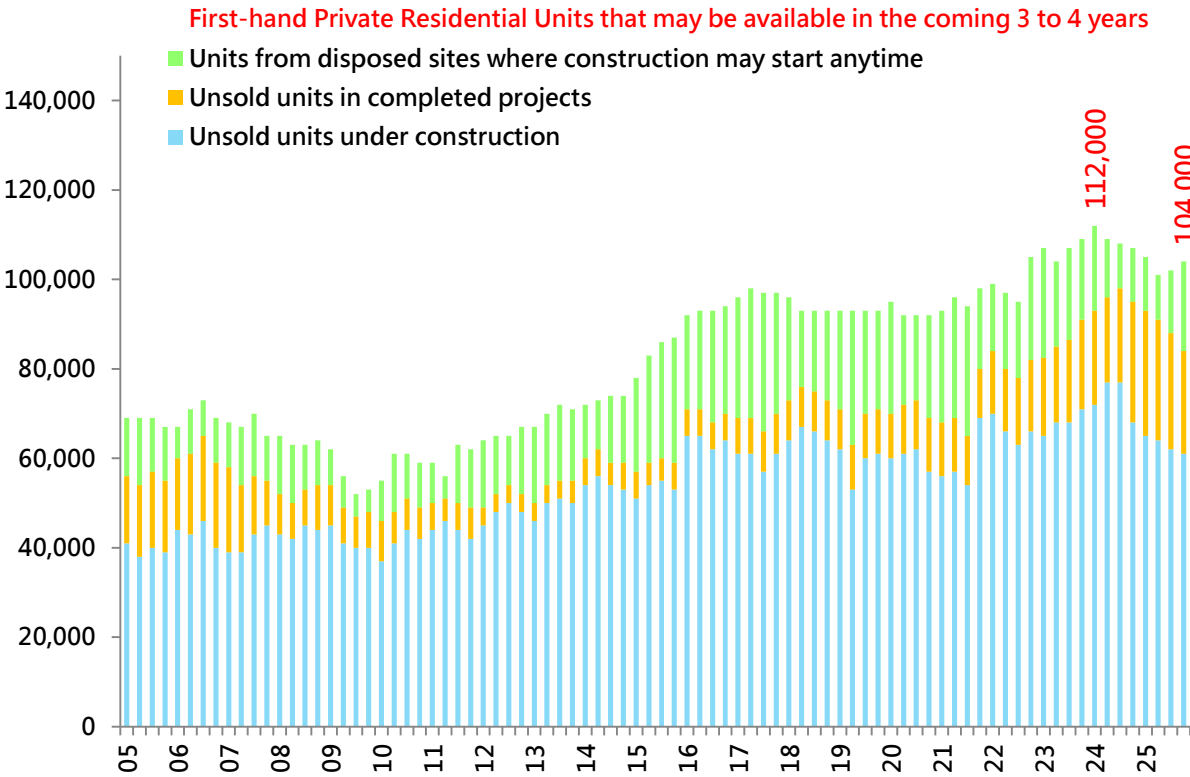


As a % of Resale Property Price

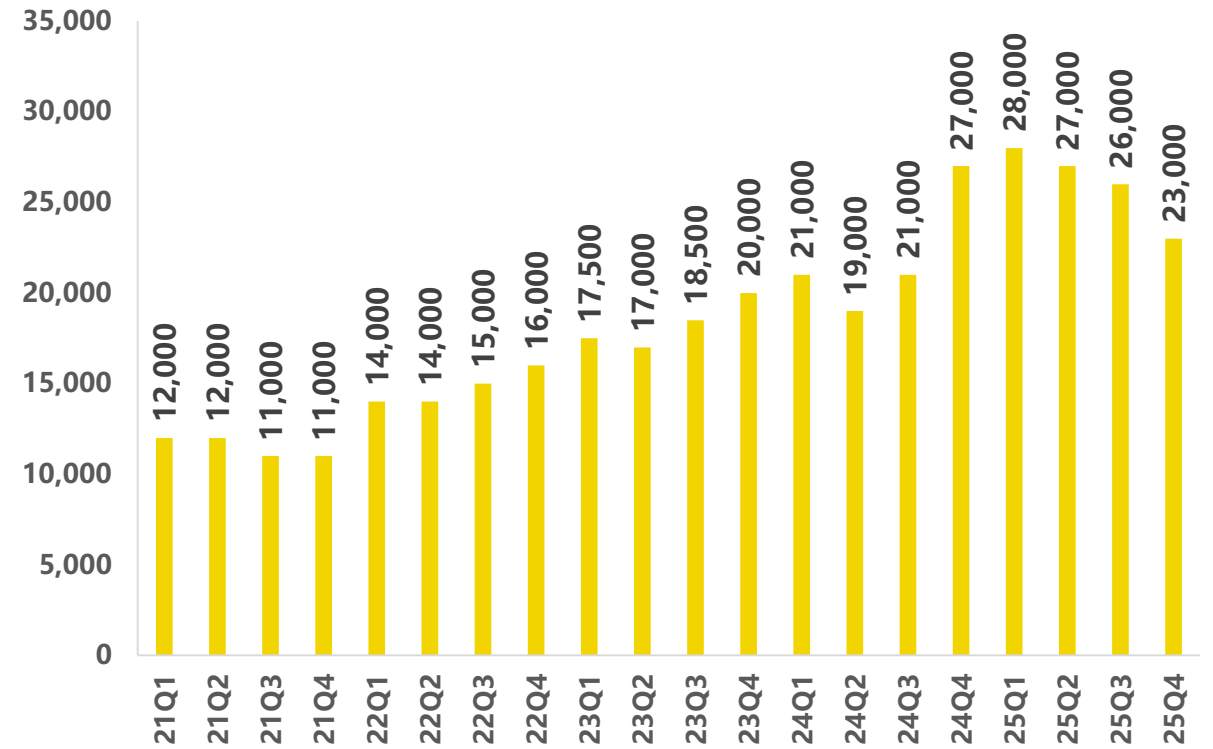


\*Local Market

# From Volume-Driven to Balancing Price and Quantity

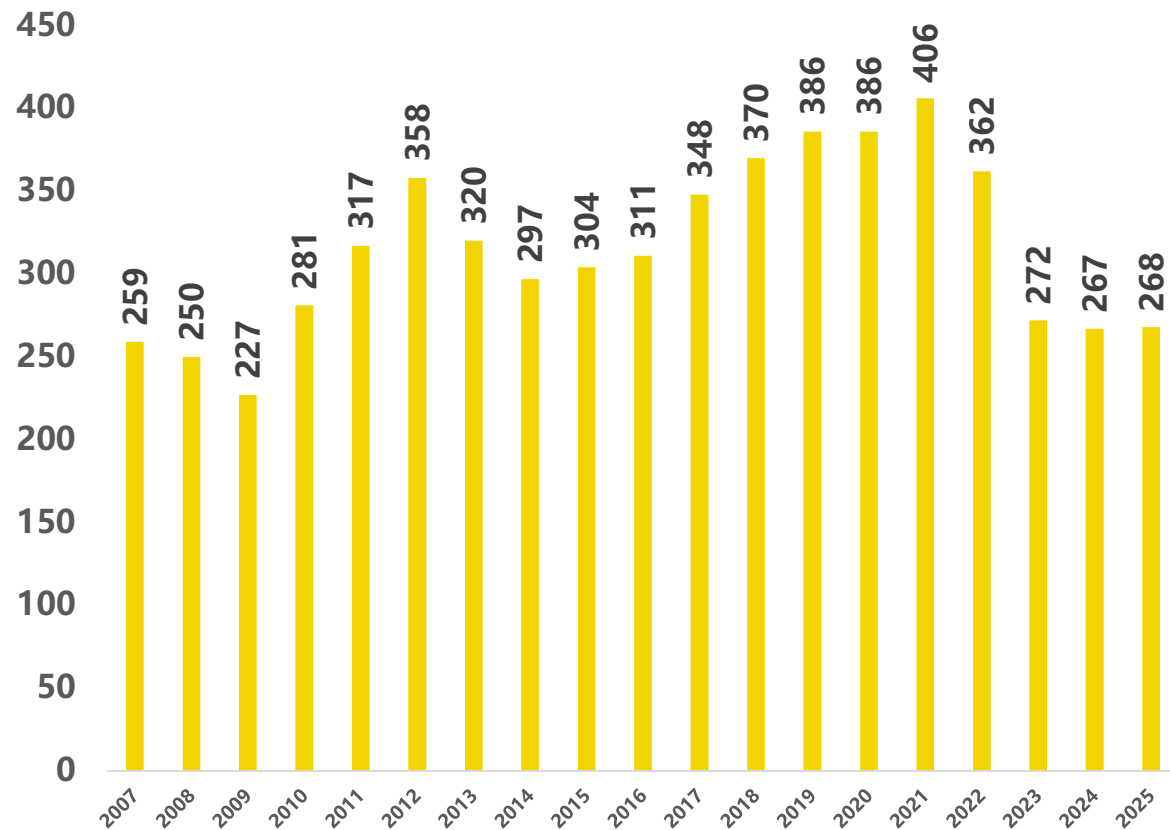


## Number of completed units remained unsold

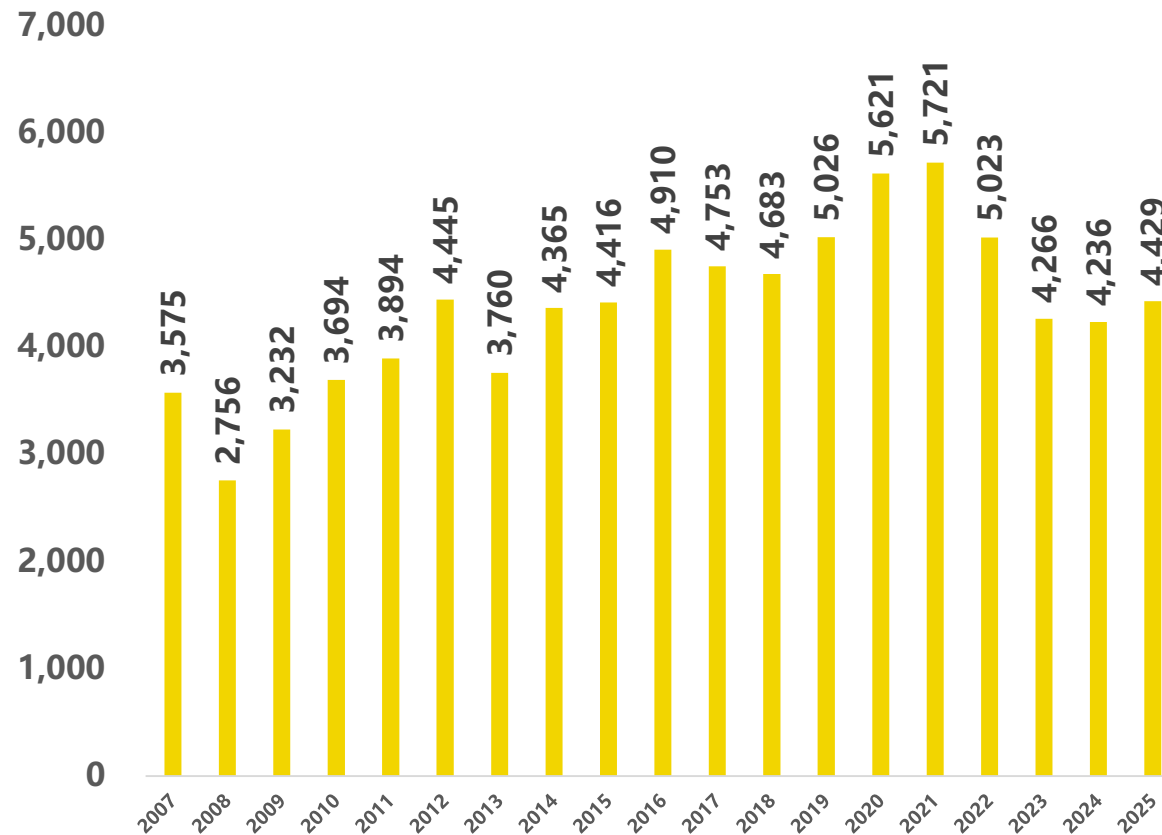


# Stable in Scale

Number of Local Branches  
(Not including Midland ICI)

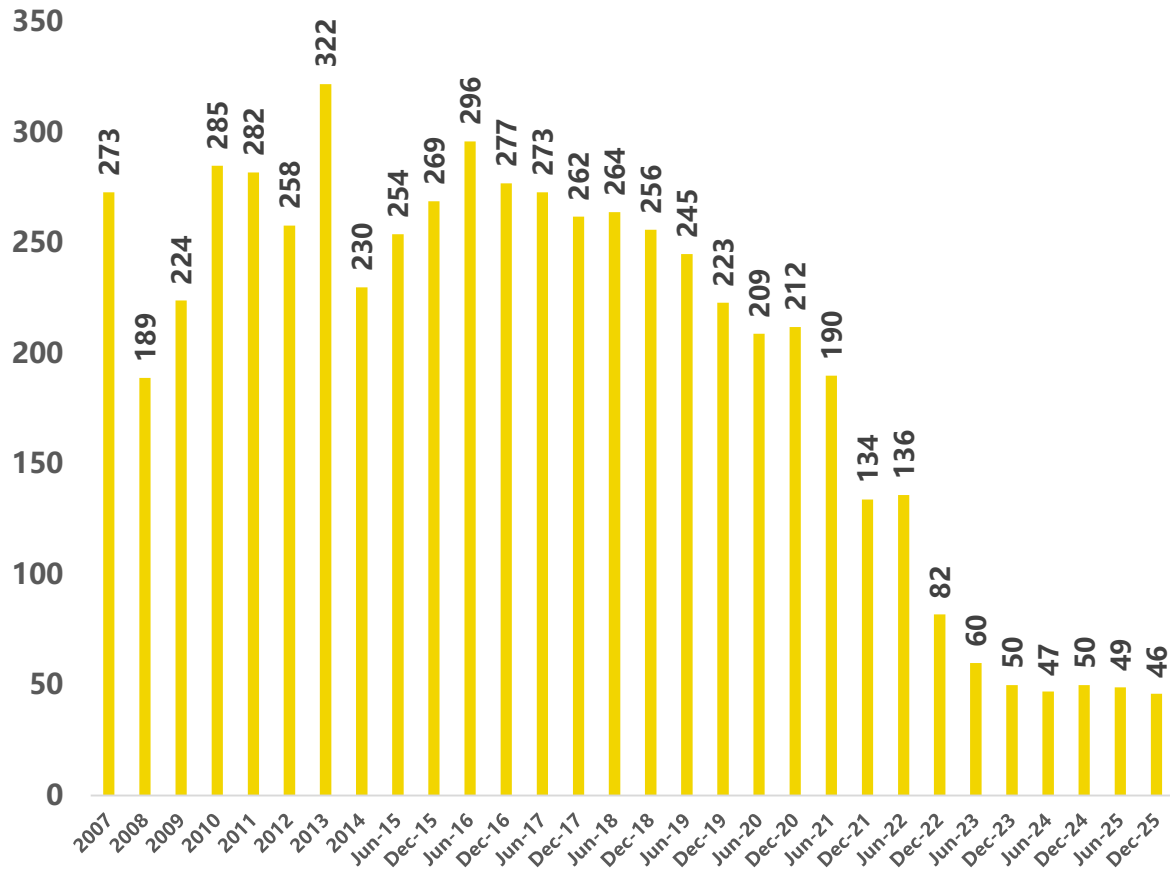


Number of Staff in HK  
(Not including Midland ICI)

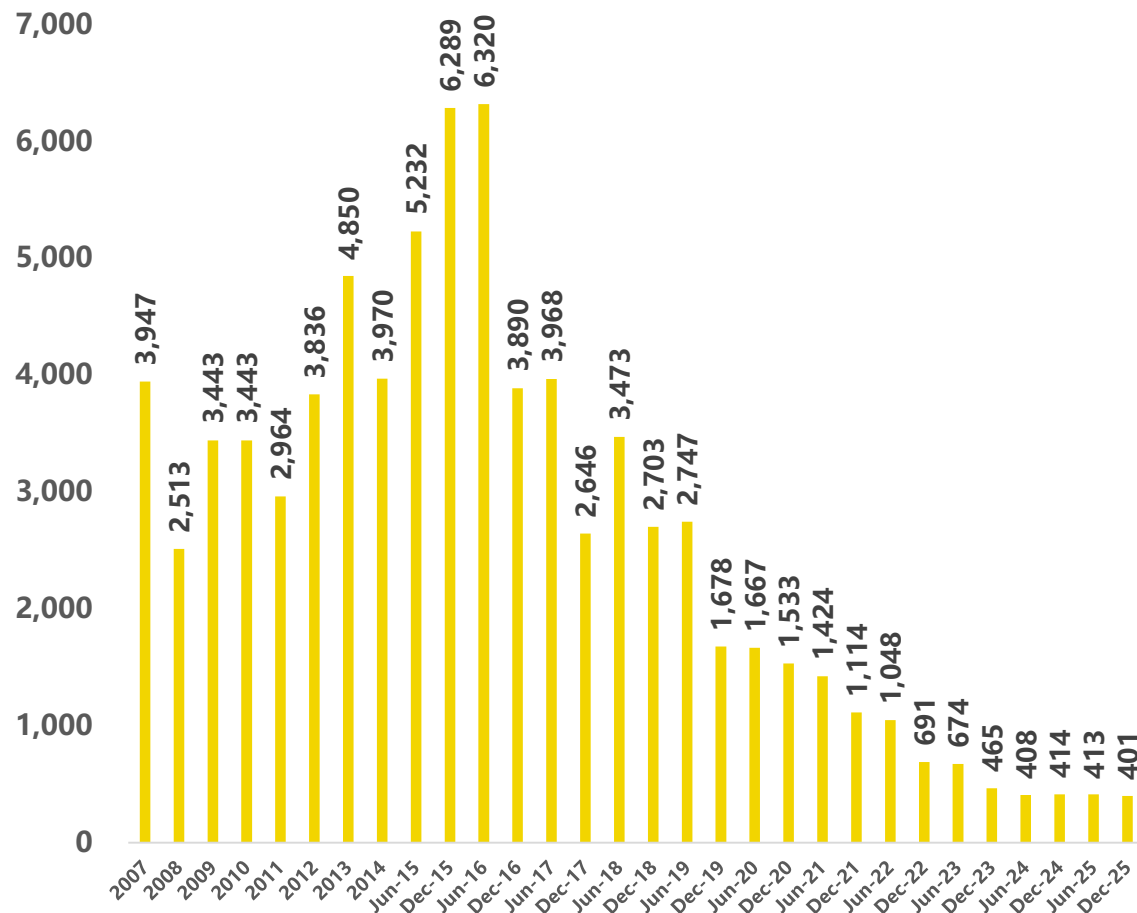


# Slight decrease in size

Number of Branches in China



Number of Staff in China



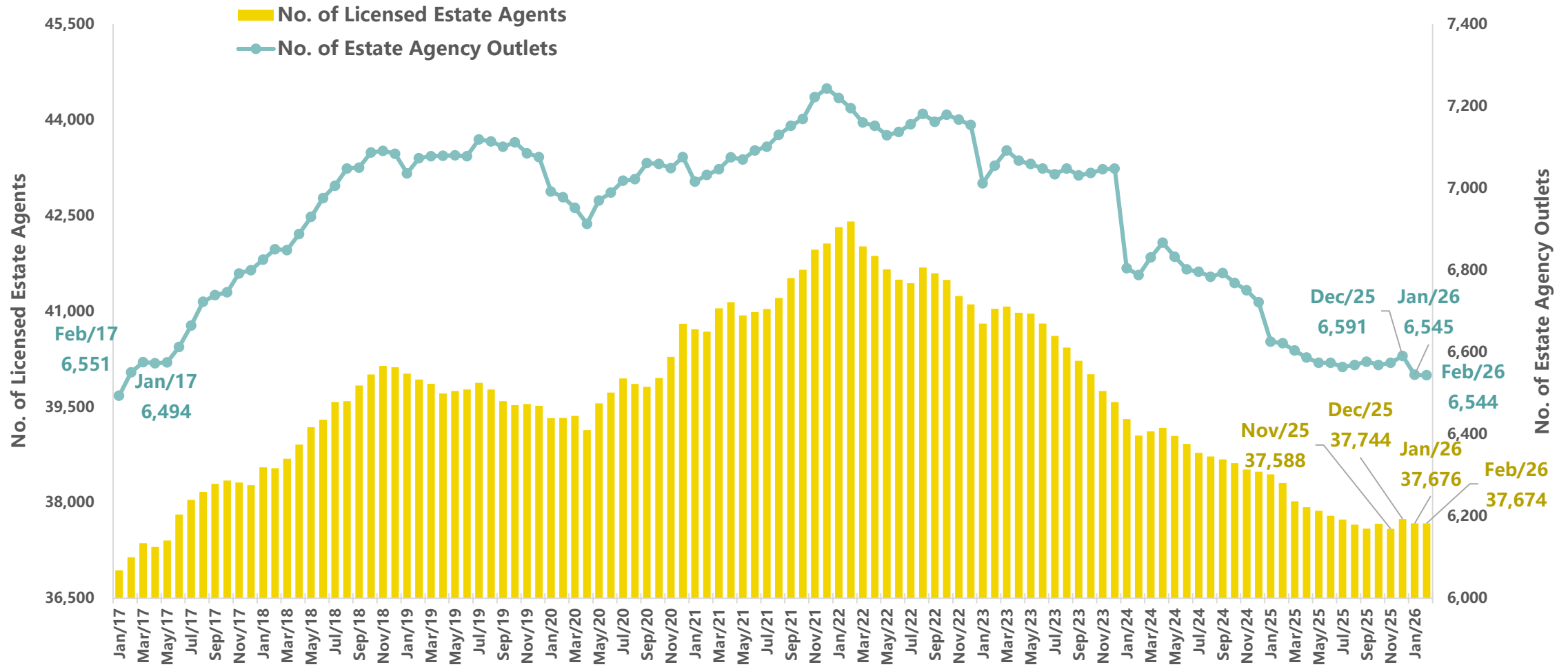
# Potential challenges

**1** Geopolitical risks

**2** Fierce Competition

**3** Application of AI

# Number of licensed agents and outlets



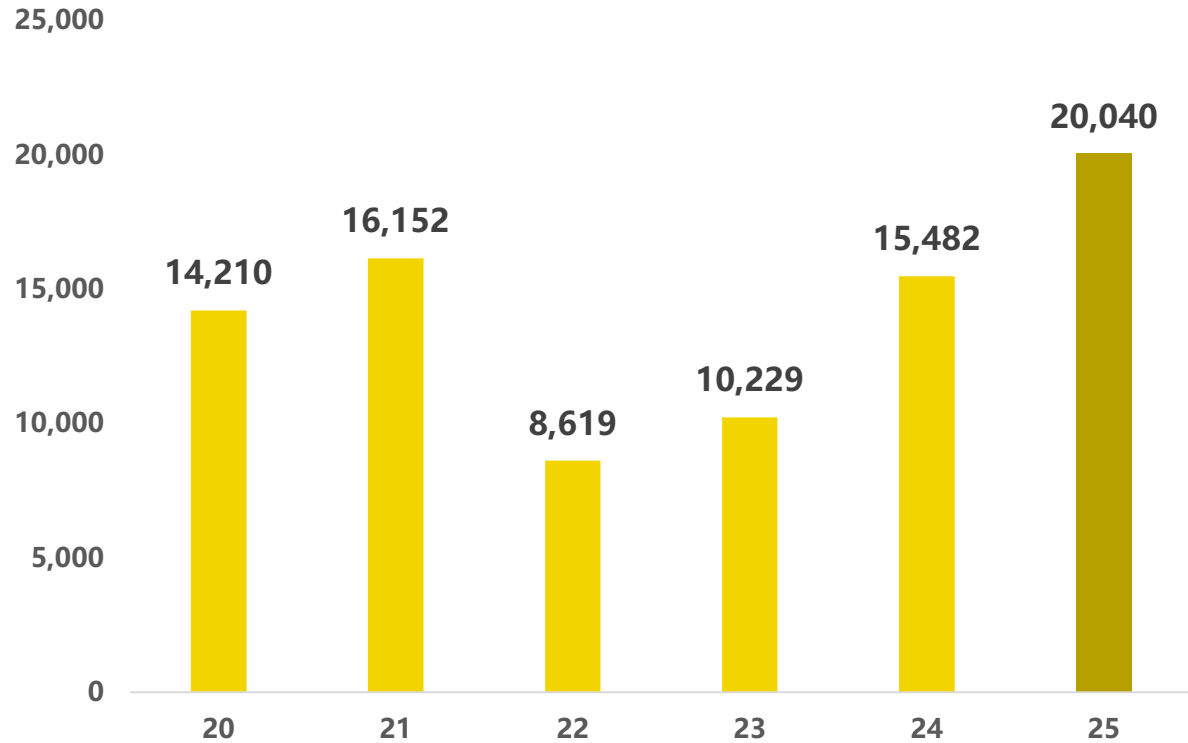
Source: Estate Agents Authority



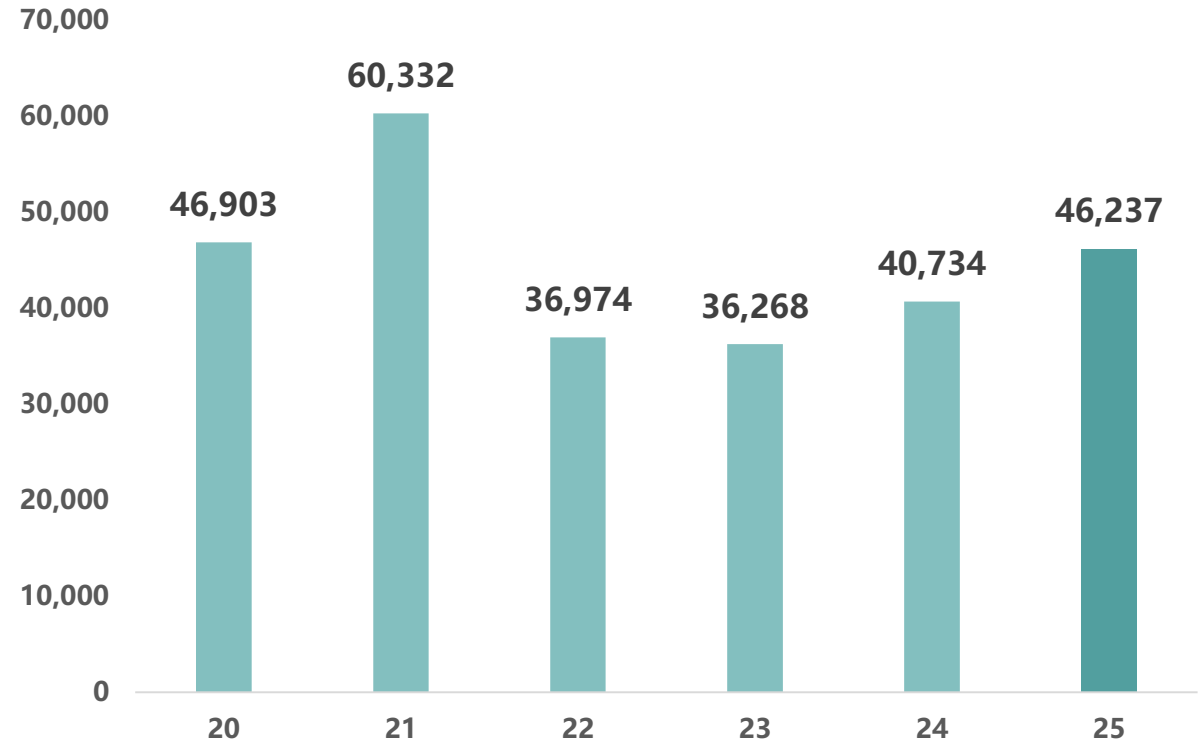
# Prospects

# Strong Market Performance in 2025

No. of Primary\* Transactions



No. of Secondary\*\* Transactions



\* Primary transaction volume based on the information in Sales of First-hand Residential Properties Electronic Platform. Default Transactions are excluded.

\*\* Secondary transaction volume is from the Land Registry & Midland Research Centre. The statistics generally reflect land transactions executed last month, as it takes about 1 month between the execution of deeds and their lodgment for registration.

Source: Midland Research Centre

# Second Half vs First Half

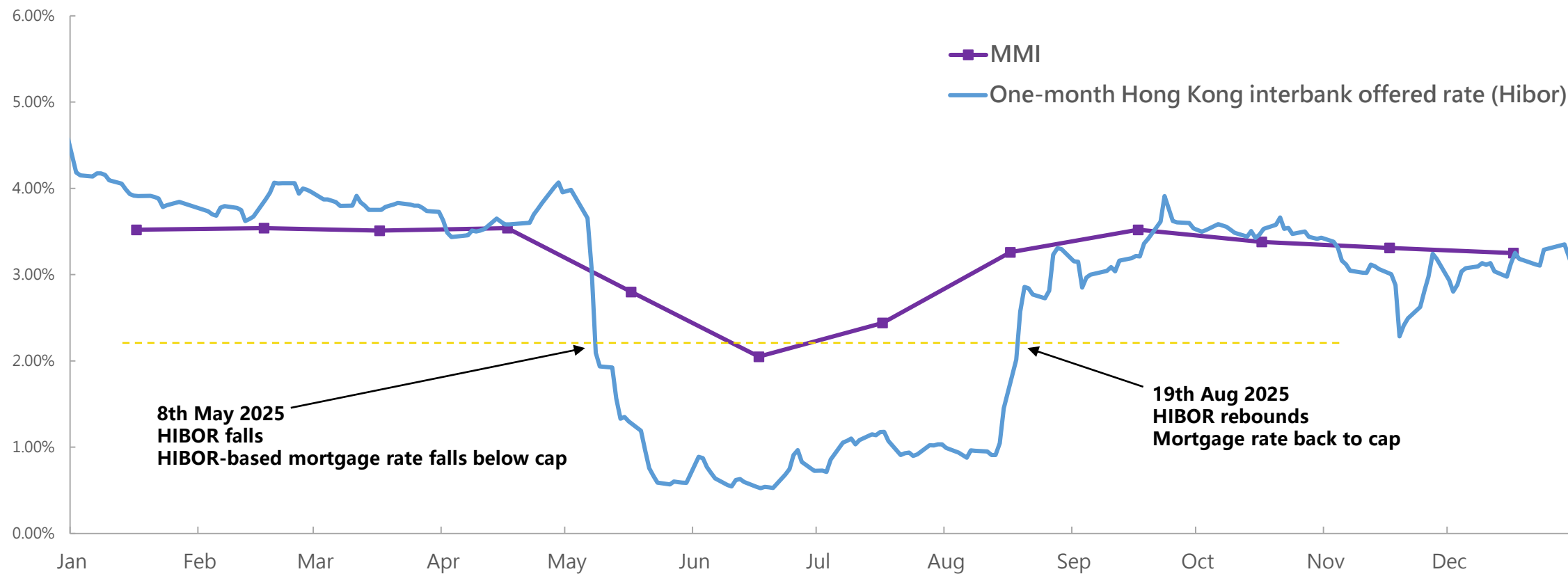
	2025 First Half		2025 Second Half	
	Volume	Value (\$billion)	Volume	Value (\$billion)
Primary	9,282	84.0	10,758 (+16%)	121.3 (+44%)
Secondary	21,382	138.5	24,855 (+16%)	167.1 (+21%)
Property Price	-0.7%		+5.8%	

\* Primary transaction volume based on the information in Sales of First-hand Residential Properties Electronic Platform. Default Transactions are excluded.

\*\* Secondary transaction volume is from the Land Registry & Midland Research Centre. The statistics generally reflect land transactions executed last month, as it takes about 1 month between the execution of deeds and their lodgment for registration.

Source: Midland Research Centre

# Market gained strength despite increase in Hibor



Source: The Hong Kong Association of Banks

# 4 Key Indicators - Comparison between HK & China Tier 1 cities

	Hong Kong				Beijing				Shanghai				Guangzhou				Shenzhen			
	Price	Rent	No. of Trans (Pri & Sec)		Price	Rent	No. of Trans (Pri & Sec)		Price	Rent	No. of Trans (Pri & Sec)		Price	Rent	No. of Trans (Pri & Sec)		Price	Rent	No. of Trans (Pri & Sec)	
2022	-15%	-4%	-46%	-39%	+5%	-3%	-26%	-28%	-6%	-3%	-25%	-47%	-4%	-1%	-38%	-32%	-12%	-4%	-32%	-47%
2023	-6%	+7%	+18%	-2%	-11%	-4%	-3%	+15%	-12%	-7%	+3%	+18%	-11%	+0%	+3%	+17%	-14%	+5%	+6%	+56%
2024	-7%	+5%	+51%	+12%	-14%	-9%	-24%	+14%	-13%	-9%	-21%	+22%	-14%	-1%	+1%	+5%	-10%	-2%	+40%	+82%
2025	+5%	+3%	+29%	+14%	-13%	-1%	-27%	-3%	-13%	+0%	-8%	+6%	-15%	-9%	-7%	+4%	-9%	+0%	-25%	-3%

Primary and secondary transactions compare the Y-o-Y monthly average figures  
 Source: Midland Research Centre, UBS, CREIS

# Wealth Effect

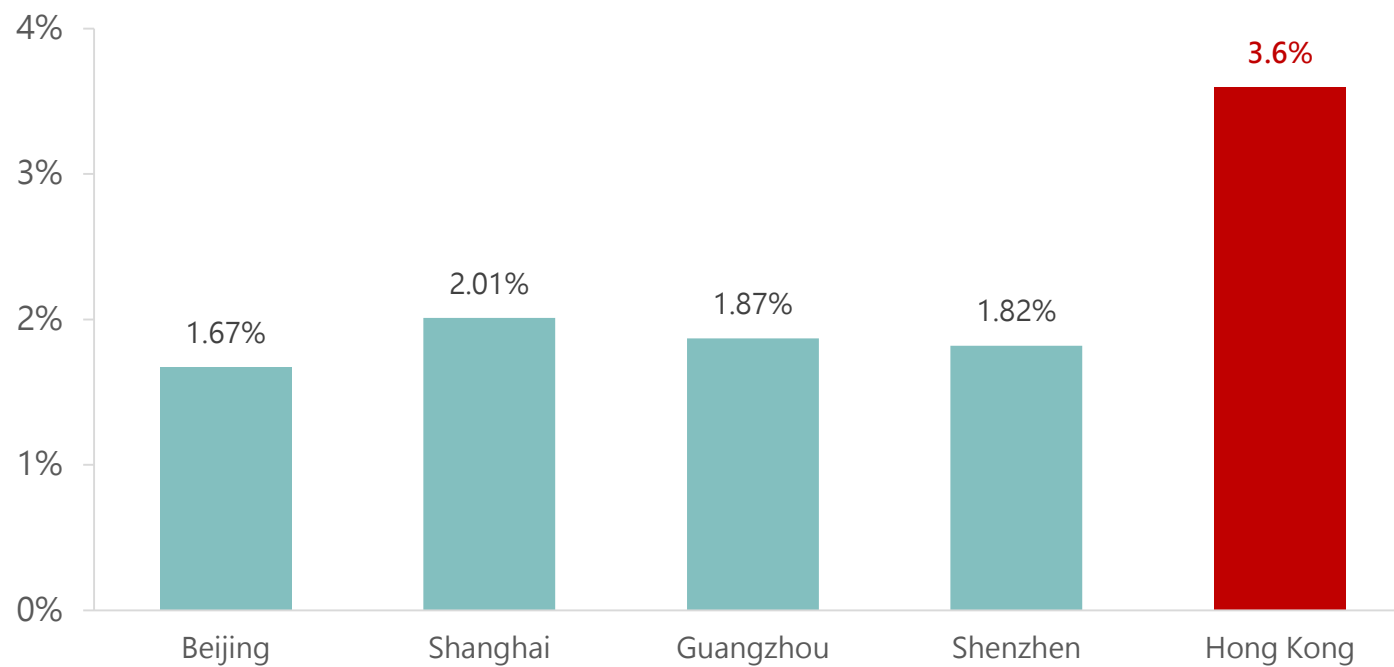
## SSE Composite Index



Source: Bloomberg

# Buy to Let

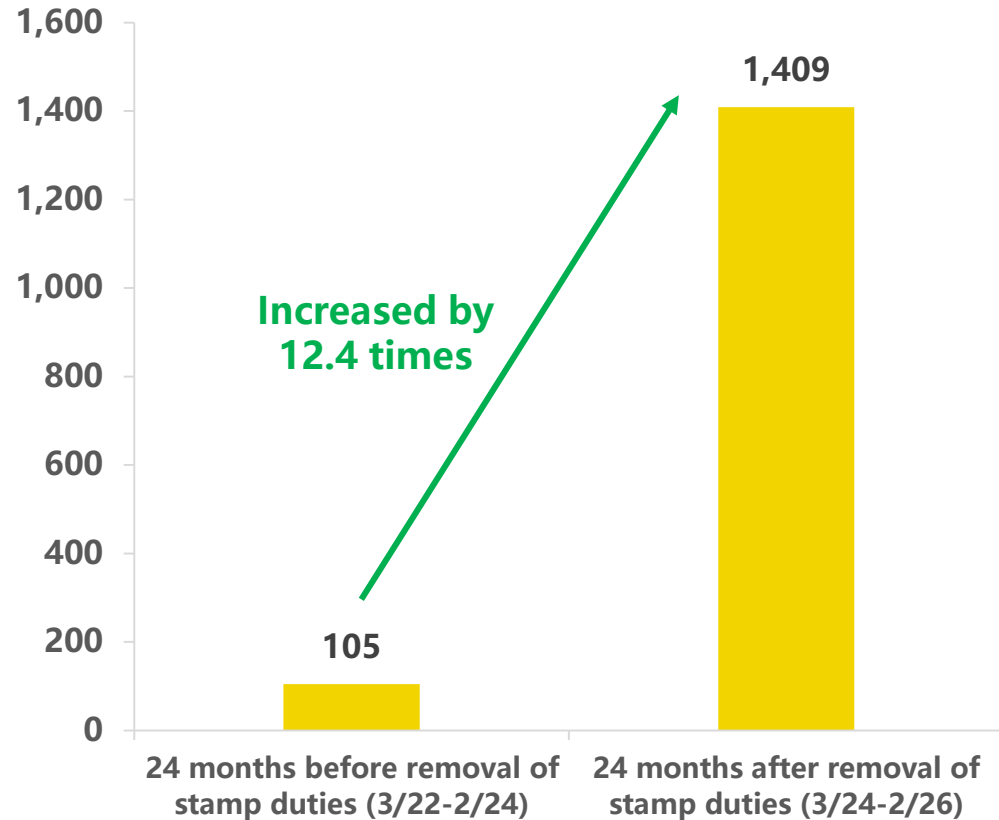
## Rental Yields of the Tier one Cities



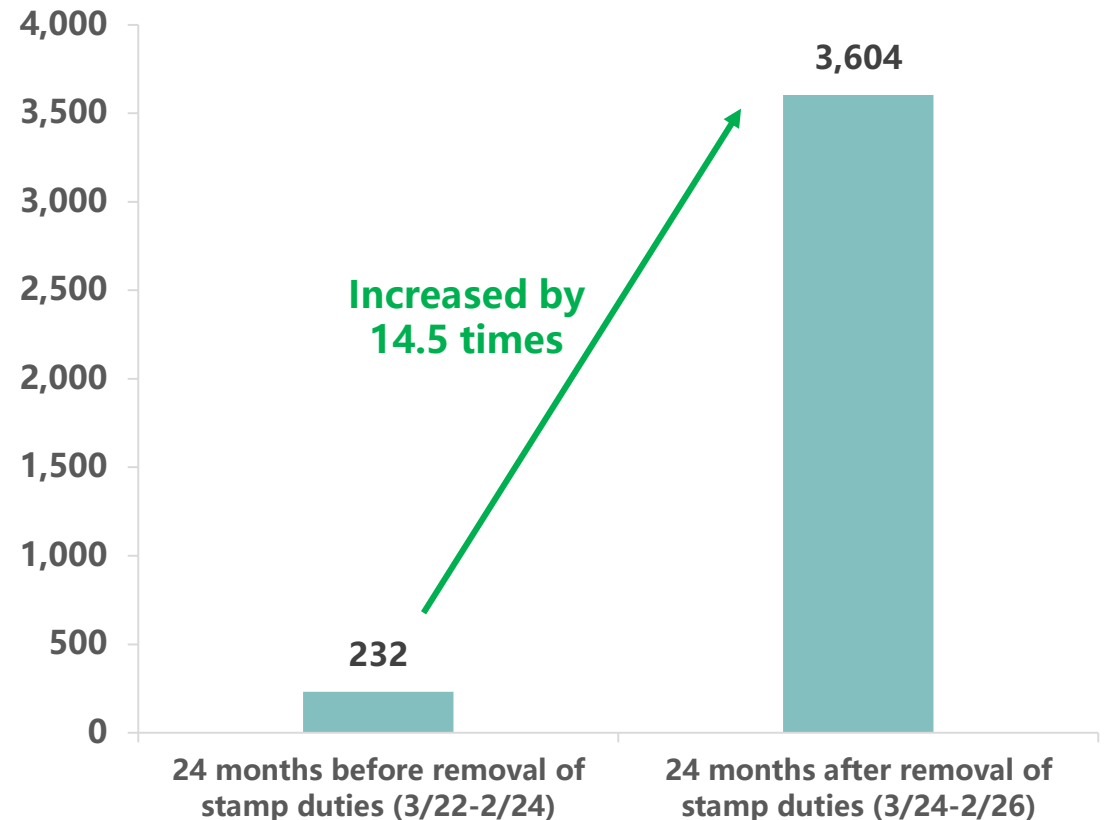
Rental yield as of Nov 2025  
Source: Rating and Valuation Department, UBS

# Multiple Properties Buyers

**Number of Multiple Properties Buyers**



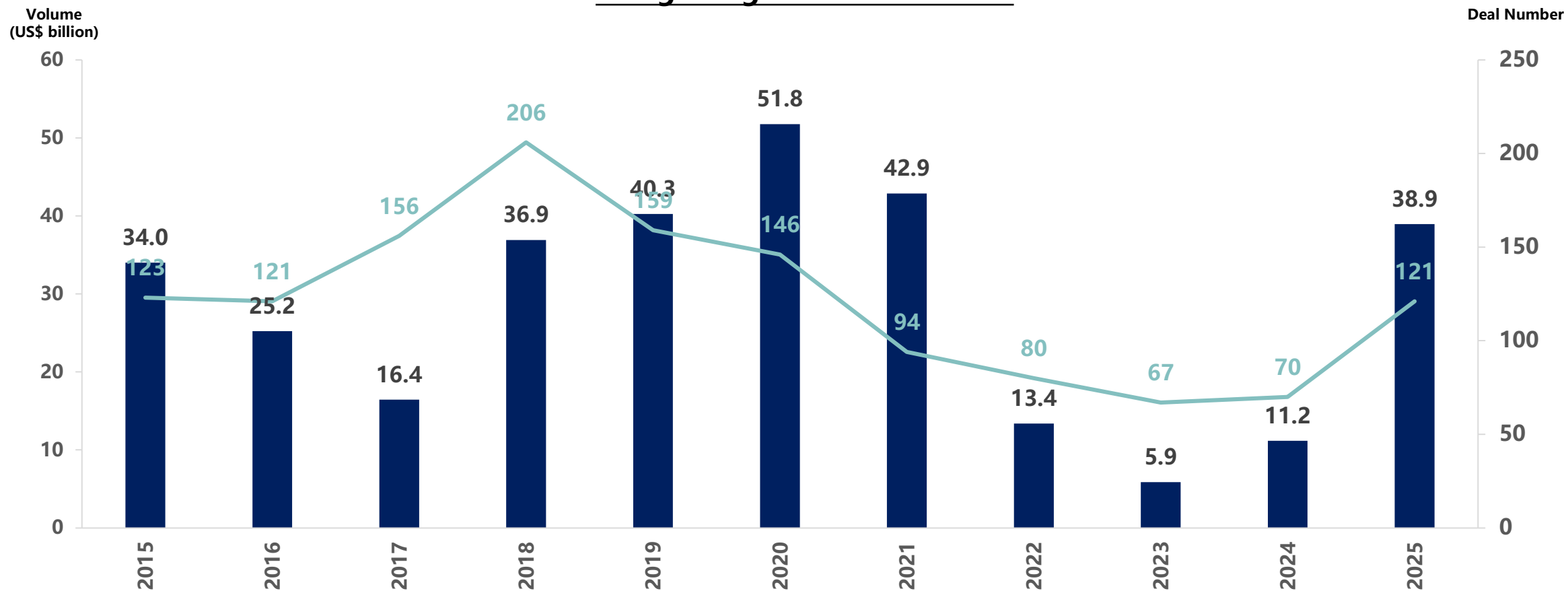
**Number of Units bought by Multiple Properties Buyers**



Multiple properties buyers cases are calculated based on first-hand private residential registration cases with the same buyer (buyer name/company name known), registered in the same month, and with 2 or more units in the same estate. Because of the time needed in registration, figures generally represent the market one month prior; Figures are preliminary and subject to change Source: Land Registry and Midland Research Centre

# Strong IPO Market

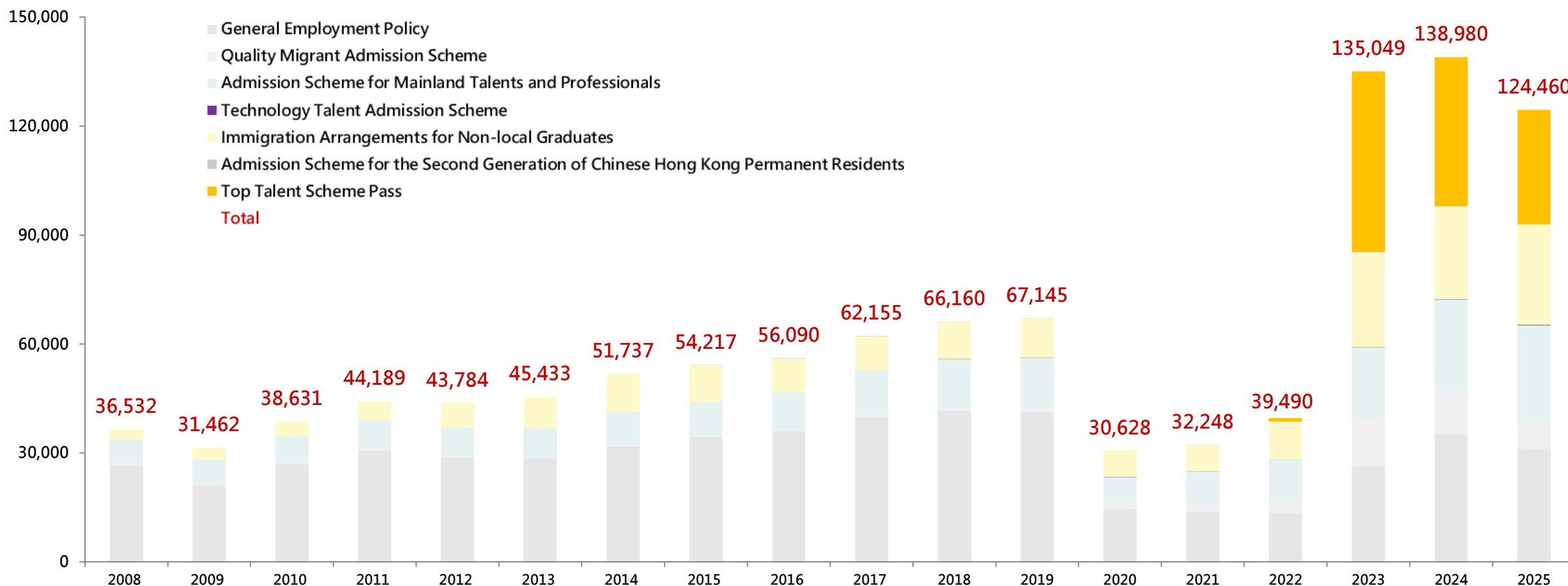
## Hong Kong IPO Performance



Source: Bloomberg

# TALENTS RECRUITMENT PROGRAMS (Statistics on applications approved)

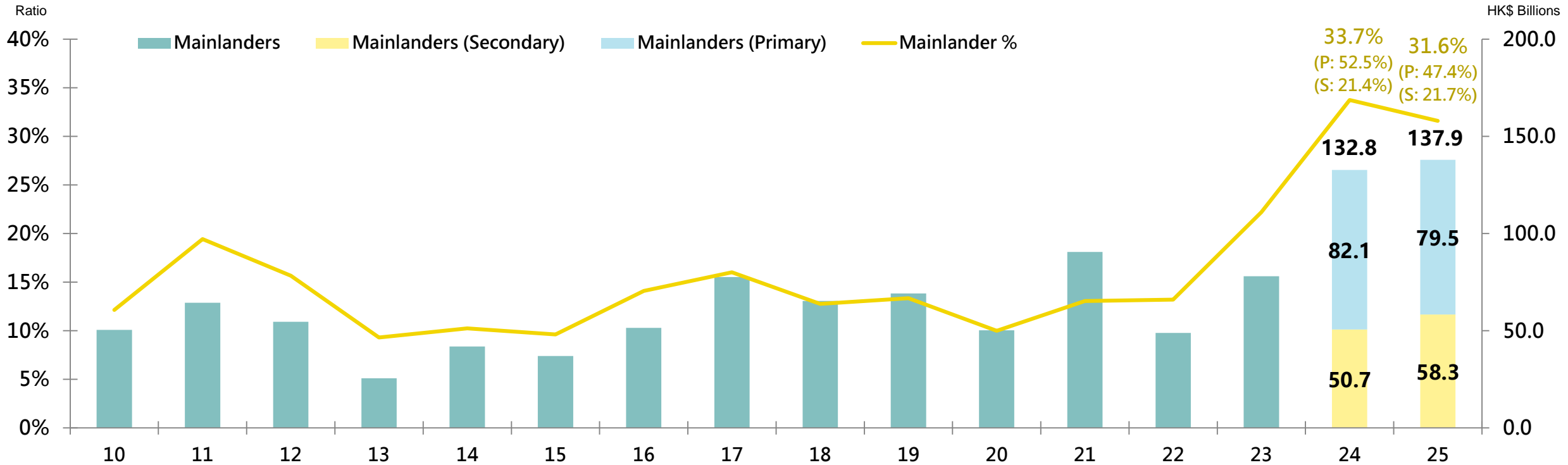
## Quantity and Quality



Source: Hong Kong Immigration Department

# Mainland Buyers hit Record High (Value)

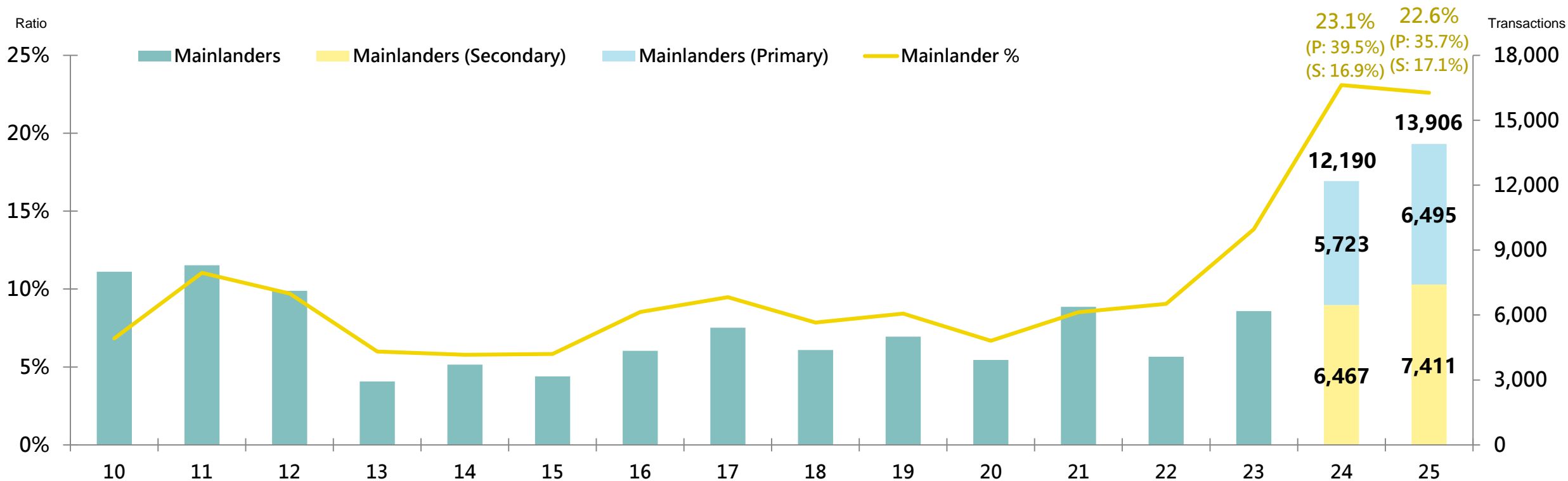
## Involvement of Mainlanders in Properties Transactions by Value



Note:  
 1) English and Romanized names are the subject in determining if a buyer is mainlander;  
 2) Only known cases are considered in calculation, and company cases are excluded;  
 3) Figures in secondary market include public housing;  
 4) Because of the time needed in registration, figures generally represent the market one month prior;  
 Figures are preliminary and subject to change Source: Land Registry and Midland Research Centre

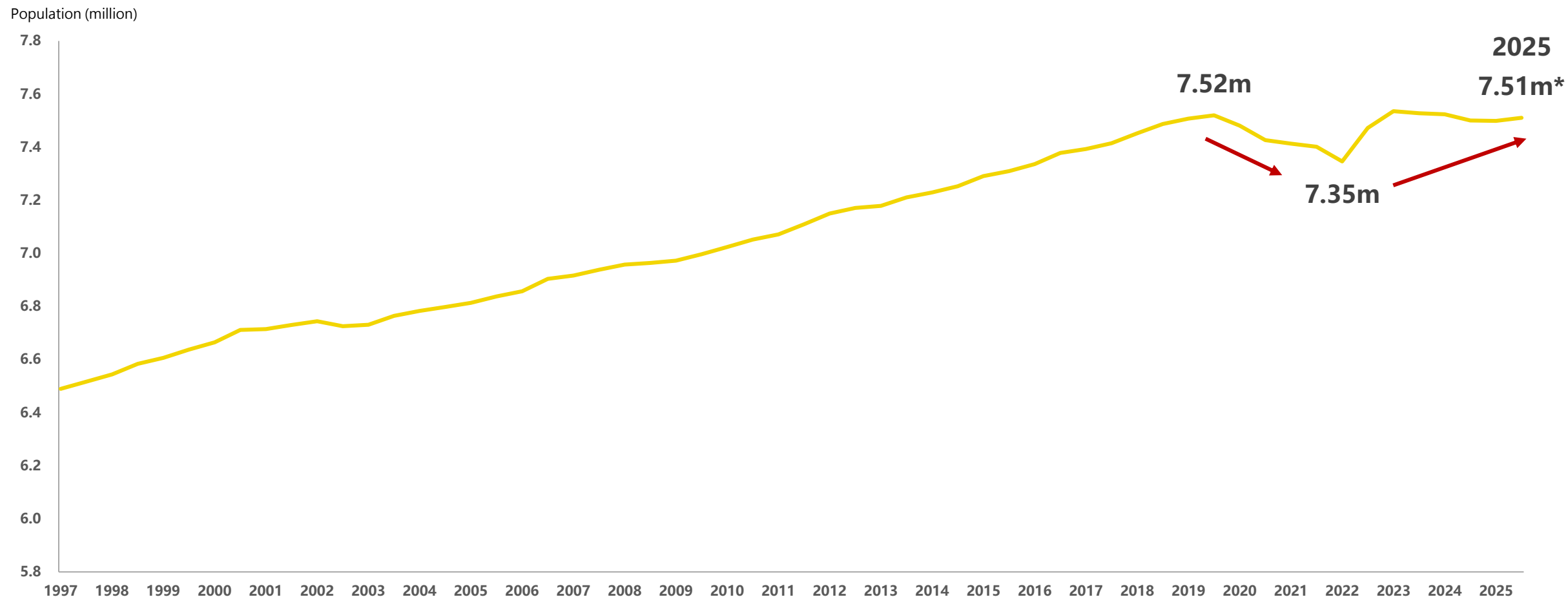
# Mainland Buyers hit Record High (Volume)

## Involvement of Mainlanders in Properties Transactions by Volume



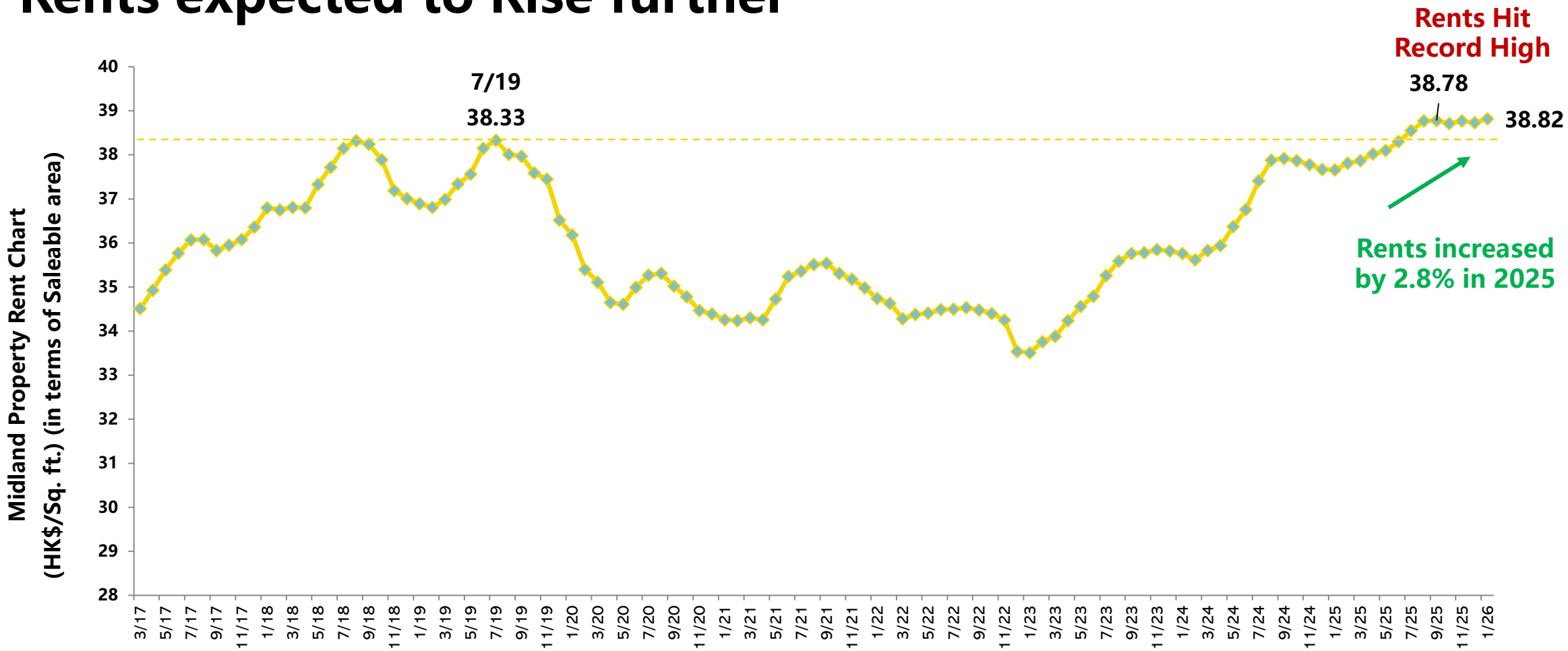
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 3) Figures in secondary market include public housing;  
 4) Because of the time needed in registration, figures generally represent the market one month prior;  
 Figures are preliminary and subject to change Source: Land Registry and Midland Research Centre

# Population has resumed upward trend



\* Provisional figure  
Source: Census and Statistics Department

# Rents expected to Rise further



\*Provisional Figures  
Source: Midland Research Centre

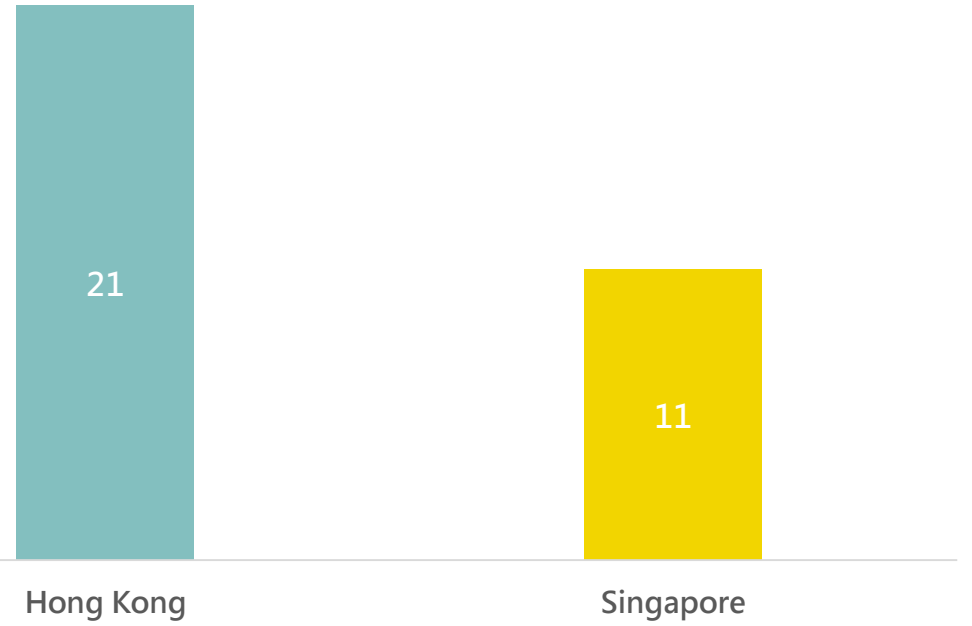
# Education Hub

## World's Top 100 Universities

■ Top 100 (2025) ■ Top 100 (2015)

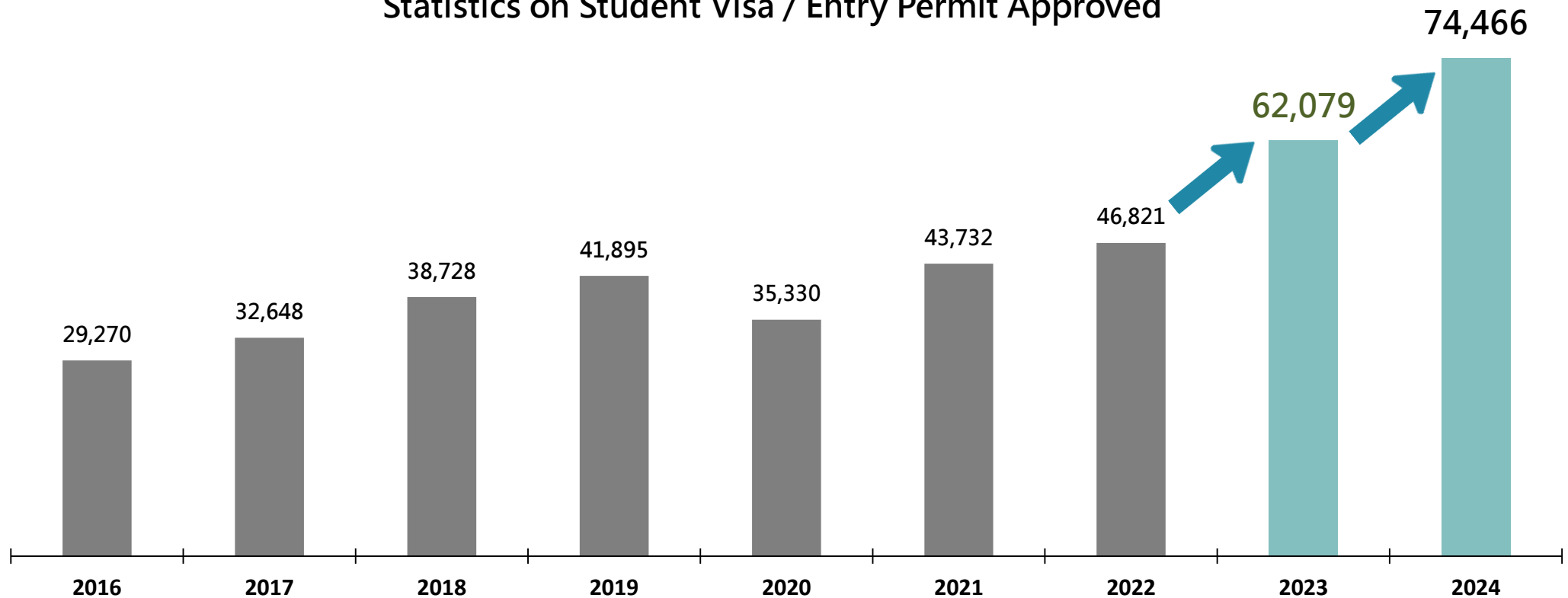


## 2024 Top 100 IB Schools (Exam Scores)



# Number of Student Visas

Statistics on Student Visa / Entry Permit Approved



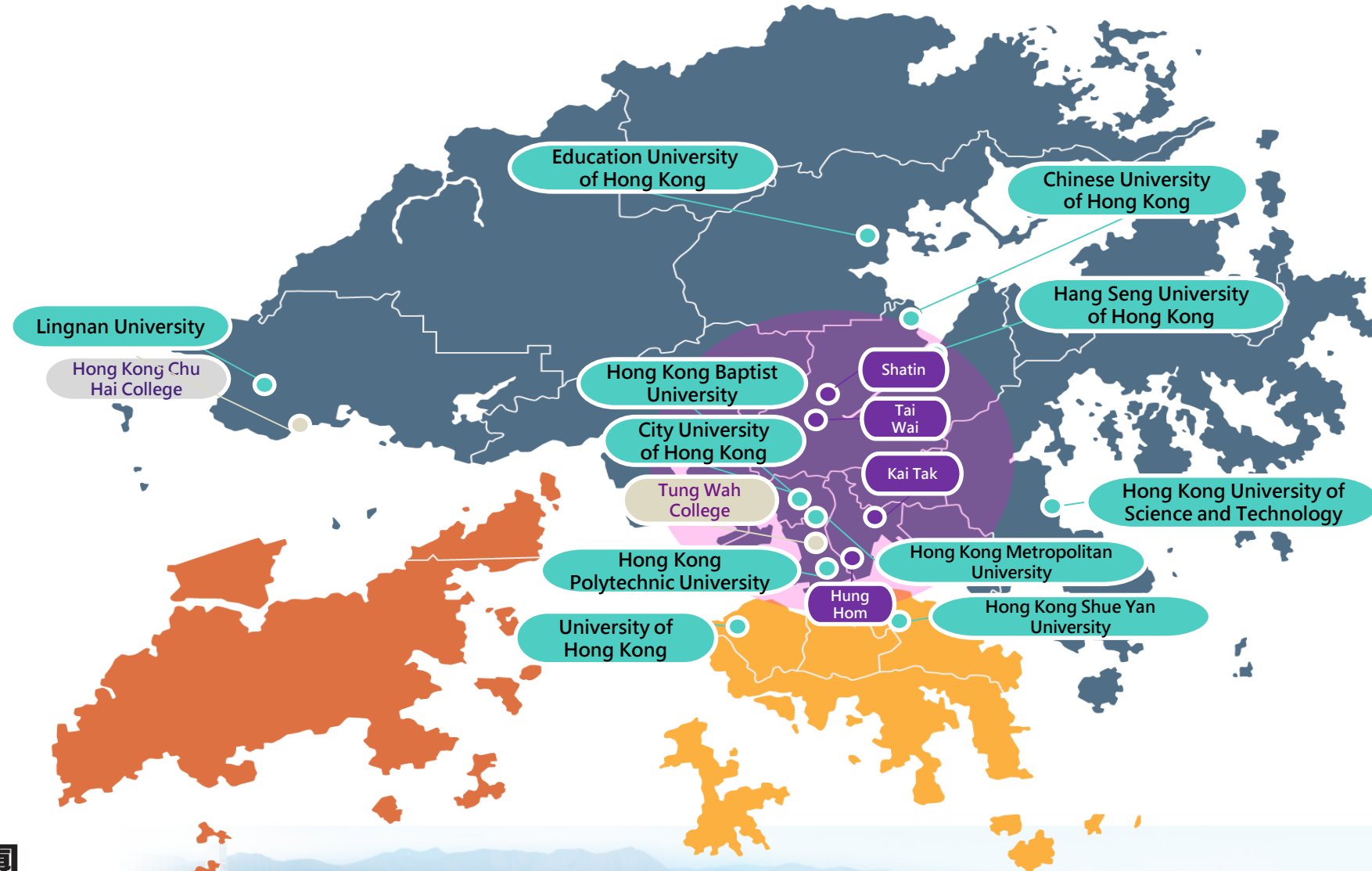
The quota for non-local students studying in the eight subsidized Universities is doubled in 2024, and will increase further from 40% to 50% of the total in 2026.

Source: Hong Kong Immigration department

## Properties Acquired by Education Institutions

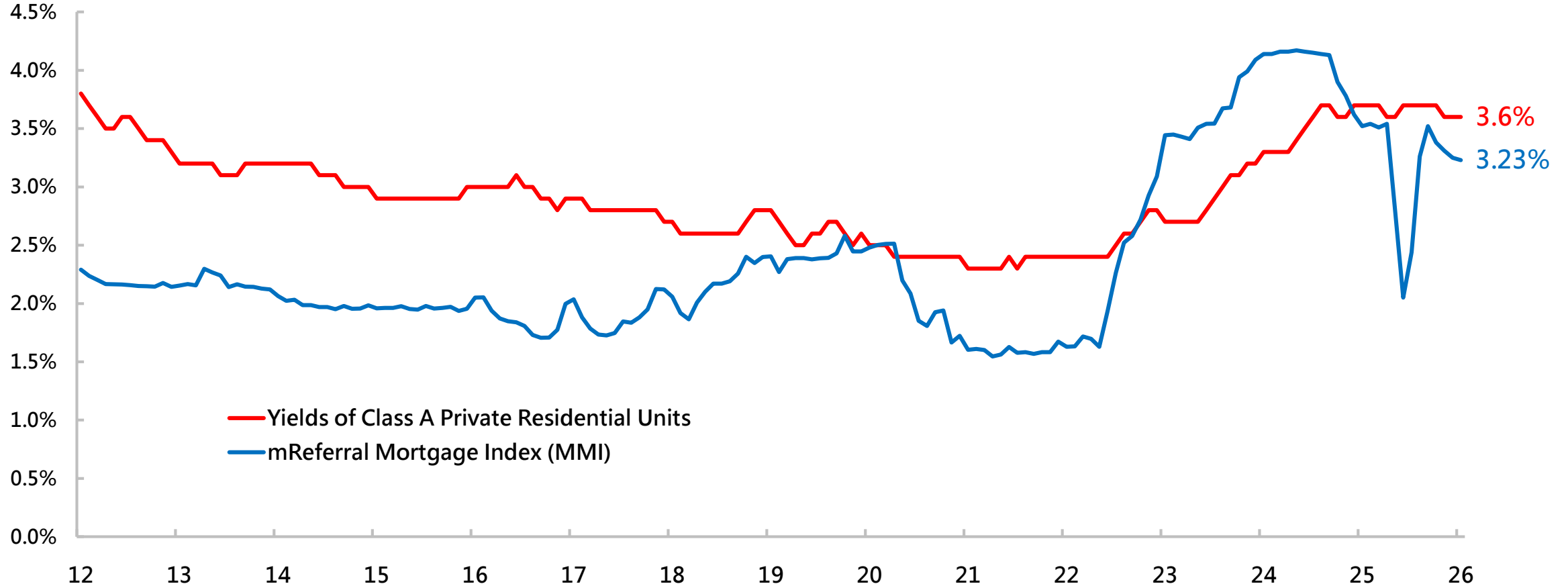
Date	Education Institutions	Property Address	Property Type	Consideration
2024 Jun	Metropolitan University	84-102 Wuhu Street, Hung Hom	Hotel	\$1 billion
2024 Nov	Metropolitan University	One HarbourGate, Hung Hom	Office	\$2.65 billion
2024 Dec	City University	94 Granville Road, TST East	Shop	\$880 million
2025 Jan	ESF	510 King's Road, North Point	Office	\$440 million
2025 Jul	HKUST	United Centre, Admiralty	Shop	\$354.4 million
2025 Jul	Lingnan University	T-Plus, Tuen Mun	Shop	\$120 million
2025 Dec	City University	Festival Walk, Kowloon Tong	Office	\$1.96 billion

# Locations of the Tertiary Education Institutions



# Rental yield has significantly improved – To Buy vs To Rent

Mortgage rates vs Yields of Class A Private Residential Units (saleable area less than 40 m<sup>2</sup>)



Source: Rating and Valuation Department, mReferral

# Local Demand is expected to continue to pick up

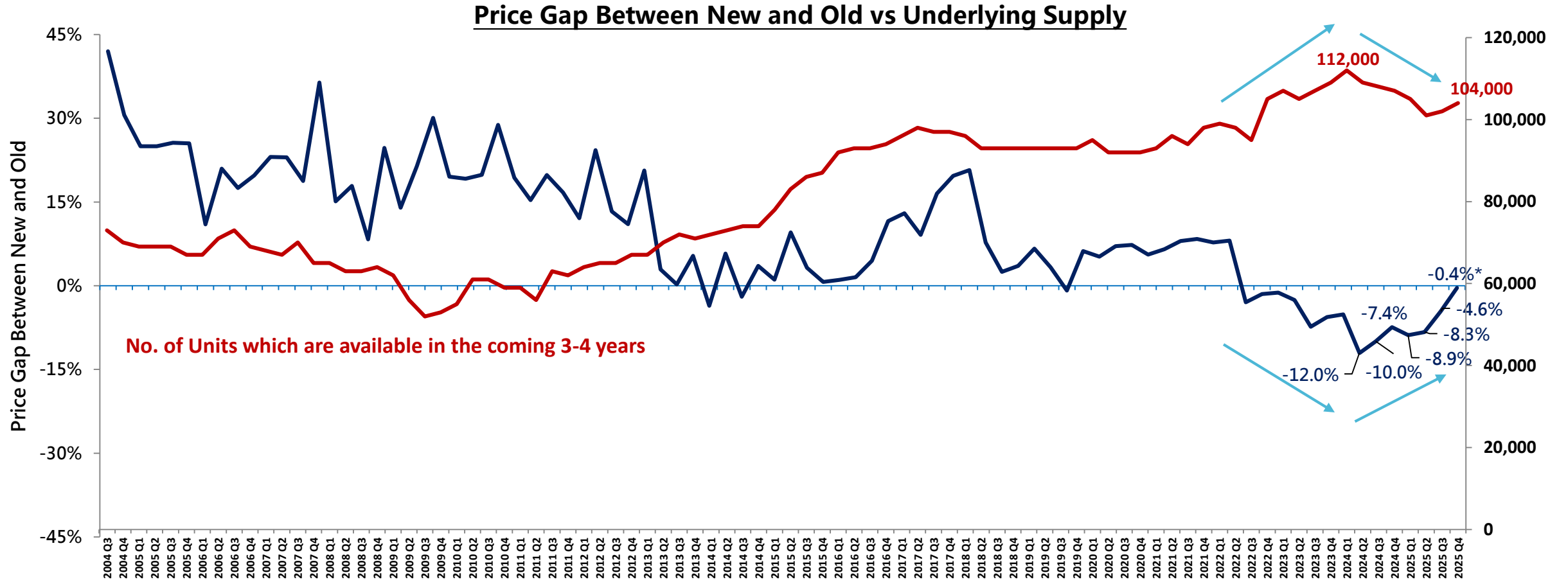
## Changes in Transaction Value

	2024 vs 2023 Y-o-Y change		2025 vs 2024 Y-o-Y change	
	Primary Trans Value	Secondary Trans Value	Primary Trans Value	Secondary Trans Value
<b>Mainlander</b>	<b>+108%</b>	<b>+31%</b>	<b>-3%</b>	<b>+15%</b>
<b>Local</b>	<b>+11%</b>	<b>-10%</b>	<b>+19%</b>	<b>+13%</b>

Note:

- 1) English and Romanized names are the subject in determining if a buyer is mainlander;
  - 2) Only known cases are considered in calculation, and company cases are excluded;
  - 3) Figures in secondary market include public housing;
  - 4) Because of the time needed in registration, figures generally represent the market one month prior;
- Figures are preliminary and subject to change      Source: Land Registry and Midland Research Centre

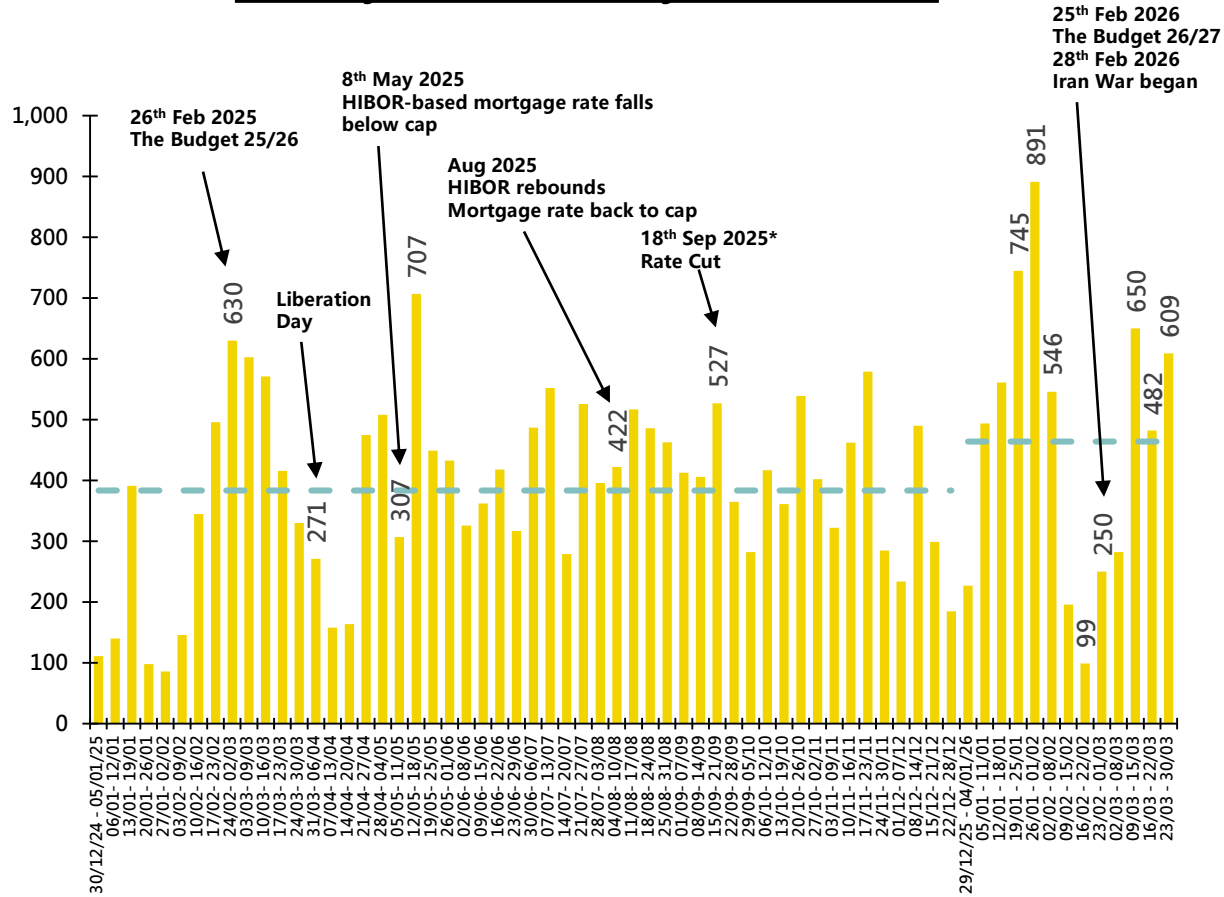
# Falling Supply ➡ Cutting discount



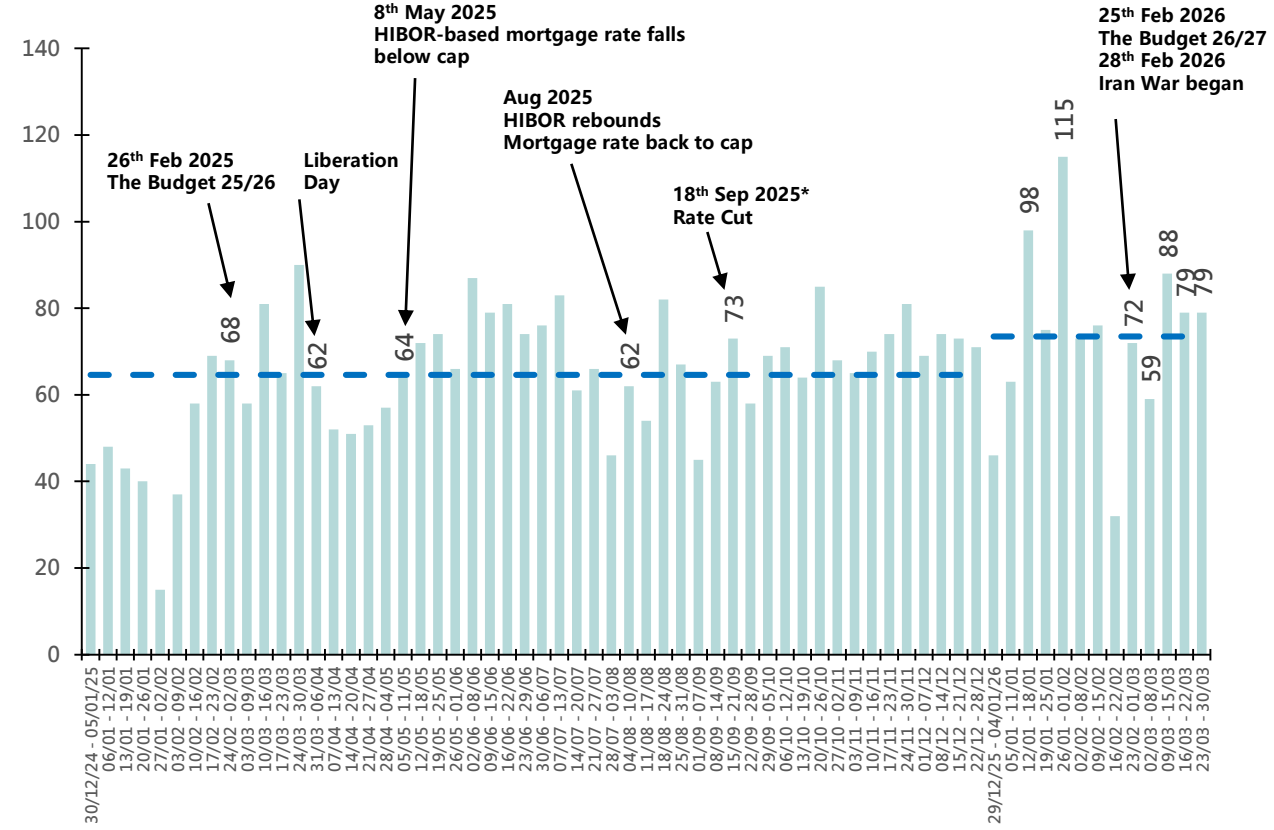
Source: Housing Bureau, Midland Research Centre

# What's happened lately

## Primary market (weekly transactions)



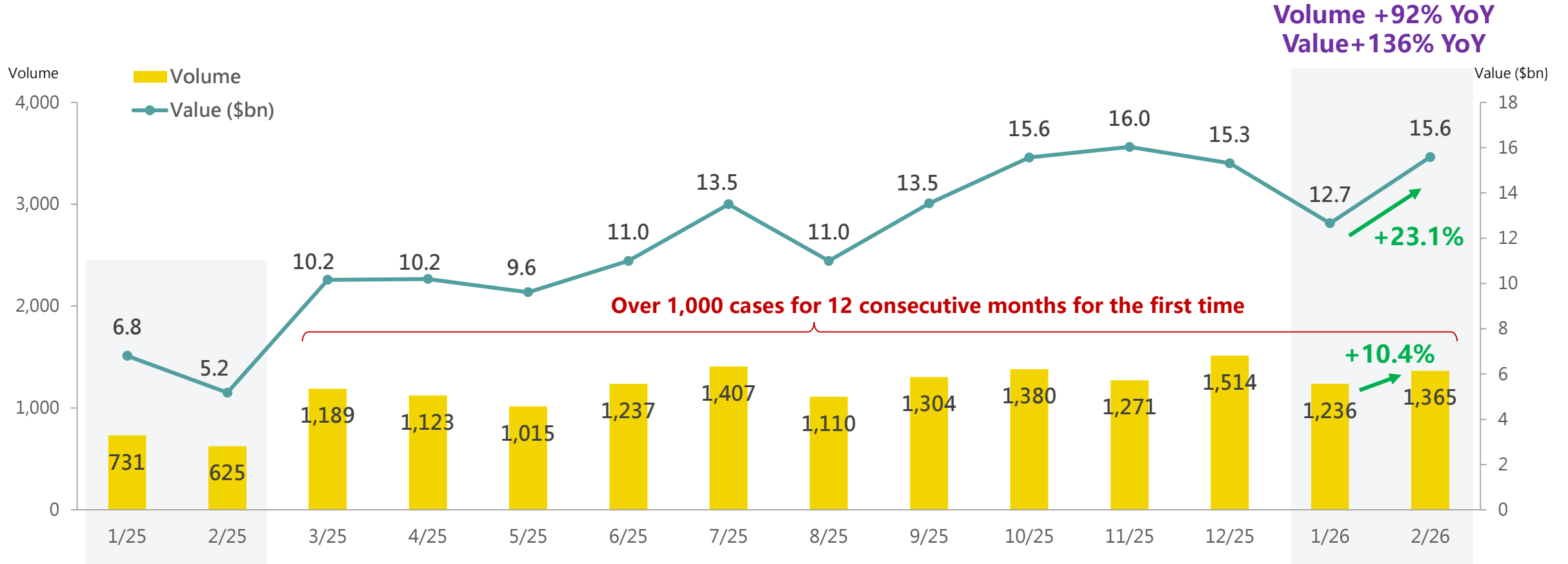
## Secondary market of 35 estates (weekly transactions)



\* Announcement date  
Source: Midland Research Centre

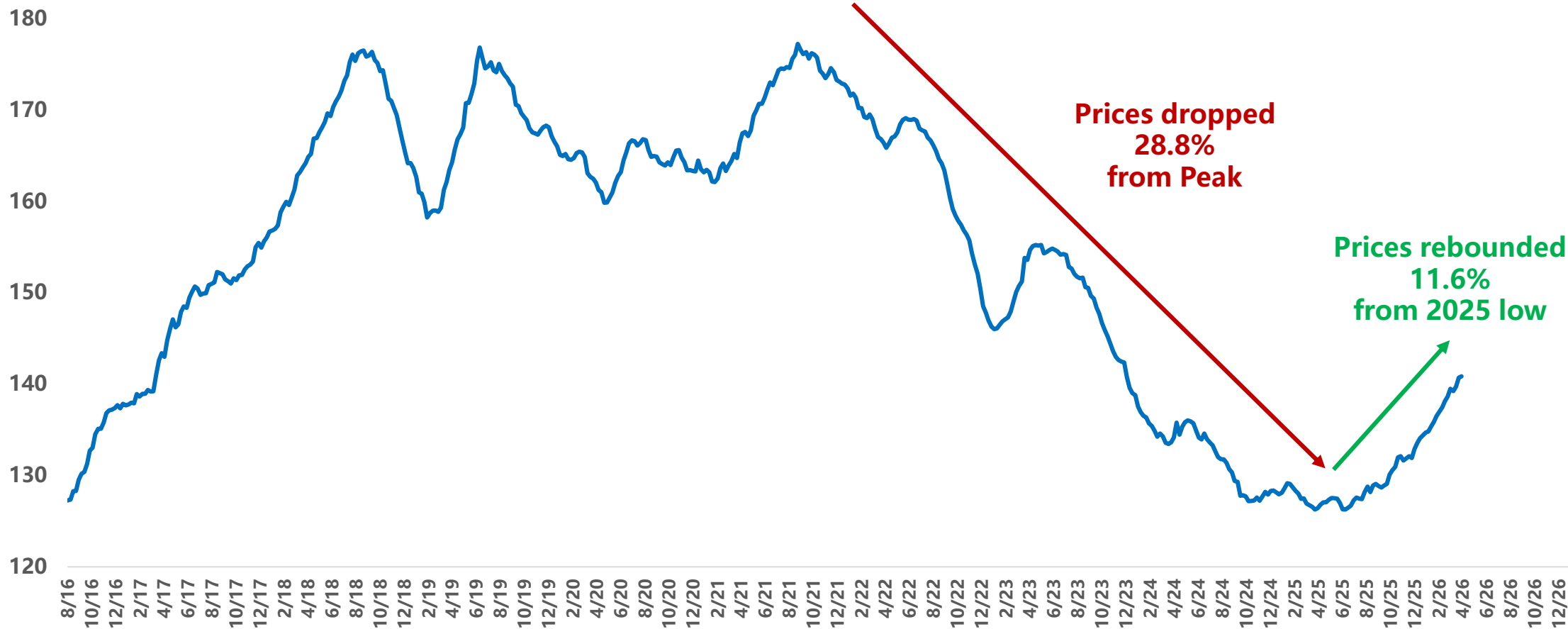
# Mainlanders have remained active

## Involvement of Mainlanders in Properties Transactions



Source: Midland Research Centre

# Property Prices have rebounded



\* As of 30.3.2025  
Source: Midland Research Centre

# 2026 Market Forecast

**Primary Transaction Volume: 22,000 (+10%)**

\* Further increase from the record-high since 2013 set in 2025

**Secondary Transaction Volume: 50,000 (+5%)**

\* To set a 5-year high

**Home Prices: +10% - +15%**

# Number of talents & dependents admitted to Hong Kong under various talent admission schemes from 1/2023 to 6/2024

	Number of talents admitted to HK	Number of dependents admitted to HK	Total
Top Talent Pass Scheme	56,952	61,561	118,513
Quality Migrant Admission Scheme	17,147	30,556	47,703
Immigration Arrangements for Non-local Graduates	29,108	6,322	35,430
Admission Scheme for Mainland Talents and Professionals	17,253	14,633	31,886
General Employment Policy	11,744	7,891	19,635
Technology Talent Admission Scheme	173	162	335
Admission Scheme for the Second Generation of Chinese Hong Kong Permanent Residents	112	11	123
<b>Total</b>	<b>132,489</b>	<b>121,136</b>	<b>253,625</b>

Source: Hong Kong Immigration department



**Thank You**