美聯集團
MIDLAND HOLDINGS
Midland Holdings Limited
Incorporated in Bermuda with limited liability
(Stock Code 股份代號：1200)

Advance with Momentum
Break Through Against the Tide

Benefit to customers, shareholders and employees

Interim Report 2026

www.midland.com.hk

Contents

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 Operating Officer and Chief Financial Officer)

Independent Non-Executive Directors

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

AUDIT COMMITTEE

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

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
Mr. LI Wai Keung

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
Mr. LI Wai Keung

COMPANY SECRETARY

Ms. MUI Ngar May, Joel

AUTHORISED REPRESENTATIVES

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

REGISTERED OFFICE

Richmond House
12 Par-la-Ville Road
Hamilton HM 08
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
Richmond House
12 Par-la-Ville Road
Hamilton HM 08
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 together with its subsidiaries, the "Group") is pleased to announce that for the six months ended 30 June 2026 (the "Interim Period"), the Group recorded a profit attributable to equity holders of approximately HK$282 million, representing an increase of 87% over the corresponding period in 2025, achieving a new two-decade high for interim results.

The significant improvement in the Group's profit is mainly attributable to:

(1) the significant increase in profit before tax of "Midland Realty 美聯物業" and "Hong Kong Property 香港置業" for the Interim Period while all other business units of the Group remained profitable;

(2) the Group's growth in overall market share particularly in the secondary residential sectors; and

(3) the Group's persistent efforts on enhancing operating efficiency with a focus on retaining and attracting the best talents to provide high quality services to our clients.

Home Market Improved

Hong Kong property prices ended their three-year downturn in mid-year 2025 and have resumed an upward trajectory. In the first half of 2026, property prices and rents rose by 9.8% and 3.3% respectively and sales transactions of new home units rose by 24.5%, while secondary home transactions increased by 37.1%. Seemingly, the secondary market has broken free from the vicious cycle where aggressive primary project launches by developers suppressed demand for resale units.

A robust rental market continues to be a pillar of the housing sector. In the first half of 2026, rents reached new highs, bolstered by strong demand stemming from various talent admission schemes and an influx of non-local students cementing Hong Kong's status as a premier education hub. As a key driver for the price recovery, rising rents have bolstered the confidence of local residents, prompting many to shift from renting to purchasing property. After falling approximately 28.8% over nearly four years from their peak, property prices have recovered by about 18% since March 2025. The office, industrial and retail markets have shown gradual improvement as well.

Good Destocking Progress

Another healthy signal is that new projects are no longer priced below secondary market units, as housing supply has peaked. The property market was previously plagued by oversupply, causing completed, unsold units to accumulate. Developers reacted by pricing primary units at a discount to secondary market levels, boosting new project sales at the expense of secondary market activity. In recent quarters, however, developers have returned to pricing new units at a premium over resale units, helping restore healthy dynamics between the primary and secondary markets. Notably, inventory has decreased significantly in newly developed areas like Kai Tak and Wong Chuk Hang, which were previously the primary drivers of new home supply.

Chairman's Statement (continued)

Business Review (continued)

Better-than-expected Economic Recovery

The Hong Kong Government has launched a series of initiatives to invigorate the local economy, and these measures are paying off. The completion of the Kai Tak Sports Park has enabled the city to host mega-events and concerts, attracting tourists and providing vital support to the local retail sector.

The robust IPO sector has become a bright spot in Hong Kong's economy. In the first half of 2026, more than 80 companies listed in Hong Kong, raising a total of HK$210.2 billion. Meanwhile, Hong Kong has emerged as the world's largest cross-boundary wealth management centre, thanks to strategic measures such as profits tax concessions for family-owned investment holding vehicles.

To be sure, the overall macroeconomic environment remains precarious. The US–Iran conflict sent oil prices surging and dashed immediate hopes of a rate cut. However, supported by robust exports, Chinese Mainland's economy has shown signs of improvement. Moreover, President Trump's visit stabilised relations between the two global superpowers. These positive factors outweigh the negative ones, with prices continuing to edge up despite escalating geopolitical tensions.

Outlook

Improved Secondary Market and Upgrading Demand

As new home supply continues to decline, the secondary housing sector is poised to outperform in the next phase of the market upcycle. During the 11-year period when the Double Stamp Duty (DSD) was in force, secondary home transactions fell by nearly half as upgrading activities were heavily discouraged. This suppressed upgrading demand gave rise to a surge in "double-renting households" (雙租族) – property owners who rented out their own properties while renting another home for themselves.

Even in the first two years following the cancellation of such hefty stamp duties, the secondary market remained suppressed by developers' aggressive discount-pricing strategies. However, as developers price new projects at a premium again, we expect the secondary market to outperform the primary market in 2026, driven by a resurgence of homeowners upgrading or trading up.

In anticipation of such release of upgrading demand, the Group's research department expects 2026 to mark the first time in four years that secondary home transaction volume outgrows that of the new home sector despite the recent market slowdown since June.

Indeed, the market had absorbed a huge amount of buying power after the market correction ended in mid-2025. In June and July 2026, new home transactions fell significantly as compared with that in the first five months of the year. The sharp drop in new home activity can be attributed to the increase in new home prices. As strong sales response to new projects has helped improve their financial positions, fewer developers are in deleveraging mode. Some are even willing to acquire land again. The latest example is that a residential site in Hung Hom is sold at 19% above the upper limit of the market consensus. As developers have adopted a premium pricing strategy, secondary home prices have also been on the rise. With higher home prices and the growing expectation of an interest rate hike, some potential home buyers have adopted a wait-and-see attitude. However, as the US Fed put interest rate hikes on hold at the end of July and rents continue to rise, first-time buyers and investors may soon start considering a purchase.

Chairman's Statement (continued)

Outlook (continued)

A New Property Market Catalyst: Northern Metropolis Development

The Hong Kong Government launched a public consultation on the *First Five-Year Plan for Economic and Social Development of the Hong Kong Special Administrative Region (2026–2030)* on 15 June 2026, which includes a framework to accelerate the development of the Northern Metropolis and advance spatial planning in other key areas. Market consensus holds that this region will serve as Hong Kong's primary economic engine, drawing a major cluster of technology companies.

Over the next few years, we anticipate significant news coverage surrounding this mega-project, and launches in this region will undoubtedly capture the lion's share of market attention. In the second half of 2026, new projects in this region will be launched for sale. In our view, the comprehensive planning to accommodate technological innovation – alongside a highly integrated transportation system connecting the region to Chinese Mainland – will significantly enhance its appeal to first-time buyers and upgraders alike.

Improving Economic Outlook Despite Full of Uncertainty

Hong Kong's economy is steadily gaining strength. Exports showed a solid performance in the first half of 2026, rising by 39.1%, while the retail and catering sectors posted mild improvements. Local GDP posted a stronger-than-expected growth of 5.1 percent in the first half of the year, a new-high in five years. Subsequently, the government also revised the full-year economic growth forecast upward.

According to a Bloomberg's report, expat professionals are returning to Hong Kong, driven by low taxes, prospective tax incentives, and a rebound in capital markets and IPOs. This influx is driving up demand across the city, resulting in Grade-A office occupancy and surging rents in expat neighborhoods. The government proposed reforms to the fund exemption rules and carried interest regime which are expected to increase appeal to regional and global asset managers to move to the city, further cementing the role of Hong Kong as international financial hub. Under the proposed framework, no tax will be imposed on qualifying carried interest and performance fees at both the corporate entity level and in the hands of Hong Kong-based employees. The related bill, if passed, is expected to raise the assets under management in Hong Kong, and demand for properties. Education and retail sectors will benefit from it as well. Meanwhile, the education sector has emerged as a major local structural growth driver. According to the latest QS World University Rankings, five Hong Kong universities are placed in the top 100, with most of them climbing higher than the previous year. In 2025, the number of non-local students enrolled at the eight publicly funded universities surged by 17% compared to 2024. With the non-local student admission quota expanding from 40% to 50% in 2026, the enrollment numbers are poised to rise further.

Additionally, Chinese Mainland's steady economic performance continues to anchor Hong Kong's economic growth. Despite rising global protectionism, Chinese Mainland's export sector has gone from strength to strength, and the trade surplus in 2026 is on track to reach US$1 trillion for the second consecutive year. Following President Trump's visit in mid-May, tensions between the two superpowers have de-escalated further, paving the way for continued export growth.

Chairman's Statement (continued)

Outlook (continued)

Improving Economic Outlook Despite Full of Uncertainty (continued)

However, despite such improved outlook, the economic landscape remains fraught with uncertainty:

- **Renewed Geopolitical Friction:** The agreement on 17 June 2026 to reopen the Strait of Hormuz proved fragile when US and Iran missile and drone strikes temporarily resumed. So even another deal to unlock the Strait of Hormuz could be reached, geopolitical risks remain elevated.

- **Mainland Consumption Sluggishness:** Despite improving economic outlook, consumer spending in Chinese Mainland continues to be subdued. In the second quarter of 2026, Chinese Mainland's GDP growth slowed to 4.3%, a new low since late 2022. However, if the Central government launches targeted stimulus measures, both the Chinese Mainland and Hong Kong economies will benefit.

- **Monetary Headwinds:** A strong US economy and persistent inflation have dashed hopes for near-term interest rate cuts, fueling the rise of the US dollar. If the US dollar continues to strengthen, the tourism industry could suffer as Hong Kong becomes less price-competitive.

- **Underperformance of the Local Stock Market Weighing on the Property Market:** The US stock market – particularly the high-performing AI sector – has drained global liquidity, leading to the ongoing underperformance of the Hong Kong stock market and weighing on local investment sentiment.

Although the aforementioned uncertainties linger, the Group remains confident that the property market's uptrend is intact, though price growth may be slow following a sharp rise of 18% over the past 16 months.

Appreciation

Despite improving market sentiment, the business environment of the Group remains challenging. Dwindling supply and sudden macroeconomic shifts have made closing transactions demanding. However, thanks to the strategic, forward-looking planning of our veteran executive leadership team and the relentless dedication of both frontline and back-office staff, the Group has successfully delivered its best interim results in 20 years by providing quality service to multi-generational clients.

I would like to express my sincere gratitude to our entire workforce for their unrelenting commitment, motivation, and focus over the past few years. I would also like to thank our shareholders, clients, and business partners for their unwavering trust and support, without which we could not have achieved such sustainable growth. We remain steadfast in our pursuit of excellence and are highly confident in our continued development in the years to come.

WONG Kin Yip, Freddie
Chairman

Hong Kong, 26 August 2026

Strategic Review and Planning

Best Interim Results in Two Decades

Dedicated to Tasks, Driven by Vision

Over the past two decades, the Hong Kong property market has weathered numerous abrupt cycles. Following the impact of the global financial crisis, quantitative easing (QE) and a prolonged low-interest-rate environment drove a sharp rise in property prices. To curb speculation, the Hong Kong Government introduced various demand-side management measures through raising stamp duties, which suppressed transaction volumes but not asset values. Property prices later corrected as the local economy grappled with the pandemic, with economy and property market recovery further prolonged by the rise of cross-border spending.

The market finally turned around in mid-2025, buoyed by the complete abolition of all demand-side management measures in early 2024. However, elevated geopolitical tensions continue to complicate decision-making. Amid this dynamic environment, the Group has prioritised agility and flexibility. By restructuring our sales management team to introduce forward-thinking, energetic leadership, the Group has successfully captured opportunities during the recent market uptrend. Frontline productivity has risen significantly, with commission income growth outstripping the expansion of our operations. Driven by the stellar performance of our two flagship brands, Midland Realty and Hong Kong Property, the Group recorded its best interim financial results in twenty years.

Staying Ahead of the Market Preparing in Advance

In an ever-evolving market, the Group must not only remain adaptive but also proactive. Well before the local market resumed its upward trajectory in mid-2025, the Group had already restructured its sales management team, ultimately driving market share gains in the Hong Kong residential market and securing a turnaround in our Chinese Mainland operations.

In the first half of 2026, secondary market transaction volumes surged by 37%, significantly outperforming primary market growth. This shift was anticipated following the withdrawal of all the property demand-side management measures in early 2024. During the Interim Period, the Group successfully expanded its residential market share, particularly within the secondary sector. Additionally, by allocating more resources in digital marketing and AI tools to empower our sales force, the Group significantly sharpened the competitive edges of the frontline operation.

Despite this strong financial performance, the Group remains relentless. Our management has proactively executed several strategic initiatives to further consolidate our market leadership:

1. **Strengthening Our Sales Platform:** The Group will strengthen its holistic sales platform, delivering comprehensive services to clients. Furthermore, the Group remains confident that the Northern Metropolis will serve as a key engine of Hong Kong's economic development. Anticipating robust housing upgrading demand, extensive local job creation, and enhanced connectivity with Chinese Mainland, the Group expects strong sales momentum for projects launched in this region. The Group has also preemptively explored the Northern Metropolis so as to capture these emerging opportunities.

2. **Enhancing Operational Efficiency and Effectiveness:** The Group remains committed to building the industry's premier sales platform for our frontline staff while delivering unparalleled professional services to our clients. To solidify our market leadership, the Group will take forward strategic reforms, empower sales operations, and further elevate the Group's overall competitiveness.

WONG Ching Yi, Angela
Deputy Chairman and Managing Director

Hong Kong, 26 August 2026

Management Discussion and Analysis

The Chairman's Statement from pages 3 to 6 and the Strategic Review and Planning on page 7 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 2026, the Group had cash and bank balances of HK$1,281,214,000 (as at 31 December 2025: HK$999,455,000).

As at 30 June 2026, the Group did not have any interest-bearing borrowings (as at 31 December 2025: nil).

The gross gearing ratio, which is calculated on the basis of total borrowings over the total equity, maintained at zero per cent (as at 31 December 2025: zero per cent). The liquidity ratio, which represents a ratio of current assets over current liabilities of the Group, to reflect the adequacy of the financial resources, was 1.4 (as at 31 December 2025: 1.4). The return on equity, which is the ratio of profit for the period over the total equity of the Group, was 17.38% (for the six months ended 30 June 2025: 13.25%).

As at 30 June 2026, the Group has unutilised borrowing facilities amounting to HK$1,298,000,000 (as at 31 December 2025: HK$1,338,000,000) 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 2026, certain land and buildings held by the Group of HK$37,083,000 were pledged to secure banking facilities granted to the Group (as at 31 December 2025: HK$37,315,000). 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$3,083,565,000 (as at 31 December 2025: HK$2,929,655,000).

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

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

Management Discussion and Analysis (continued)

Financial Review (continued)

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

As at 30 June 2026, the outstanding loan receivables was HK$230,000 represented loans to employees. The outstanding loan balance involved 1 case. No impairment loss on loan amount was made during the period.

As at 31 December 2025, the outstanding loan receivables was HK$6,735,000 included loans to employees of HK$740,000 (2 cases with different borrowers) and property mortgage loans granted to customer in Hong Kong of HK$5,995,000 (1 case). No impairment loss on loan amount was made during the period.

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 Commission on 18 March 2024. Leave for the JR Application was granted by the High Court on 20 March 2024 after the application.

Management Discussion and Analysis (continued)

Financial Review (continued)

Contingent liabilities (continued)

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 2026. Recently, the High Court has informed the parties that the Judgment will only be available by 30 September 2026. It should also be noted that this date is subject to a potential extension depending on the schedule of the Court and other factors.

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

In addition to pursuing the JR Application and the Stay Application, the Company shall continue to defend the Tribunal Proceedings (if any) vigorously and explore all avenues of action subject to legal advice as and when appropriate. 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 2026.

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 2026, the Group employed 4,956 full time employees (as at 31 December 2025: 4,781) of which 4,322 were sales agents, 414 were back office supportive employees and 220 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 2026, 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

	Number of ordinary shares	Number of underlying shares		
Name of Directors	**Corporate interest/ Interest of controlled corporations**	**Personal interest/ Beneficial owner** *(Note 1)*	**Total**	**Approximate percentage of the issued voting shares of the Company**
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:

1. 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 Schemes" in this interim report.

2. 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 2026, 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.

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.

Other Information (continued)

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

As at 30 June 2026, the interests and short positions of the substantial shareholders and other persons, other than the Directors or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Name of substantial shareholders	Number of ordinary shares/ underlying shares	Holding capacity/ Nature of interest	Approximate percentage of the issued voting shares of the Company
Ms. TANG Mei Lai, Metty *(Note 1)*	270,112,974 (L)	Interest of spouse/Family interest	37.68%
Southern Field *(Note 2)*	265,525,824 (L)	Interest of controlled corporation/ Corporate interest	37.04%
Sunluck *(Note 2)*	265,525,824 (L)	Beneficial owner/Beneficial interest	37.04%
Sun Life Financial, Inc. *(Note 3)*	42,975,000 (L)	Interest of controlled corporations/ Corporate interest	5.99%
Sun Life of Canada (U.S.) Financial Services Holdings, Inc. *(Note 3)*	42,975,000 (L)	Interest of controlled corporations/ Corporate interest	5.99%
Massachusetts Financial Services Company *(Note 3)*	42,165,000 (L) 810,000 (L)	Investment manager/Other interest Interest of controlled corporations/ Corporate interest	5.88% 0.11%

Remark: (L) – Long Position

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 Schemes" 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 42,975,000 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 42,975,000 ordinary shares. MFS was a 95.89% owned subsidiary of Sun Life of Canada (U.S.) Financial Services Holdings, Inc. ("SLCFS") which was a 99.95% 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.

Other Information (continued)

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

Save as disclosed above, as at 30 June 2026, 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.

Share Option Schemes

The share option scheme adopted by the Company on 23 June 2016 (the "2016 Share Option Scheme") had expired on 22 June 2026. Therefore, no further options would be granted by the Company under the 2016 Share Option Scheme while the outstanding share options already granted thereunder may continue to be exercisable in accordance with their terms of issue, subject to the terms of the 2016 Share Option Scheme.

Pursuant to an ordinary resolution passed by the shareholders of the Company at the special general meeting held on 8 June 2026, the Company adopted a new share option scheme on 1 July 2026.

Movements in the outstanding share options of the Company granted under the 2016 Share Option Scheme during the Interim Period were as follows:

			Number of share options						
Name	Date of grant *(Note 1)*	Exercise price per share HK$	Balance outstanding as at 1 January 2026	Granted during the Interim Period	Lapsed during the Interim Period	Cancelled during the Interim Period	Exercised during the Interim Period	Balance outstanding as at 30 June 2026	Exercisable 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	

Other Information (continued)

Share Option Schemes (continued)

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 2016 Share Option Scheme as at 1 January 2026 was 26,728,000 shares. There were no options available for grant as at 30 June 2026.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including any sale of treasury shares as defined under the Listing Rules, if any) 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 2025: 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 2026

		Six months ended 30 June	
		2026	2025
	Note	HK$'000	HK$'000
Revenues	3	3,311,685	2,517,917
Other losses, net	4	(1,072)	(229)
Commission split	3	(1,290,118)	(966,748)
Staff costs		(1,385,091)	(1,071,278)
Advertising and promotion expenses		(58,274)	(45,350)
Operating lease charges in respect of office and shop premises		(11,381)	(11,580)
Depreciation of right-of-use assets		(126,029)	(127,418)
Depreciation of property and equipment		(8,462)	(11,577)
Net impairment losses on financial assets and contract assets		(2,569)	(7,267)
Other operating costs	5	(100,563)	(97,588)
Operating profit		328,126	178,882
Bank interest income		607	1,229
Finance costs	6	(9,327)	(8,967)
Share of results of joint ventures		10,795	6,482
Profit before income tax		330,201	177,626
Income tax expense	7	(48,116)	(26,236)
Profit for the period attributable to equity holders of the Company		282,085	151,390
		HK cents	HK cents
Earnings per share	9		
Basic		39.35	21.12
Diluted		39.04	21.12

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	**2025**
	HK$'000	**HK$'000**
Profit for the period	282,085	151,390
Other comprehensive income/(loss)		
Item that will not be reclassified to profit or loss		
Change in fair value of financial assets at fair value through other comprehensive income	–	(4)
Item that may be reclassified to profit or loss		
Currency translation differences	1,580	(2,055)
Other comprehensive income/(loss) for the period, net of tax	1,580	(2,059)
Total comprehensive income for the period attributable to equity holders of the Company, net of tax	283,665	149,331

Condensed Consolidated Balance Sheet (Unaudited)

AS AT 30 JUNE 2026

	Note	As at 30 June 2026 HK$'000	As at 31 December 2025 HK$'000
ASSETS			
Non-current assets			
Property and equipment		76,015	79,644
Right-of-use assets		249,846	280,868
Investment properties	10	20,731	22,778
Interests in joint ventures		22,936	26,240
Financial assets at fair value through other comprehensive income		–	40
Deferred tax assets		21,267	22,586
Loan receivables	11	230	740
Other non-current asset		10,110	10,110
		401,135	443,006
Current assets			
Trade receivables, contract assets and other receivables	12	3,421,303	3,250,028
Tax recoverable		389	383
Loan receivables	11	–	5,995
Cash and bank balances		1,281,214	999,455
		4,702,906	4,255,861
Total assets		5,104,041	4,698,867

Condensed Consolidated Balance Sheet (Unaudited) (continued)

AS AT 30 JUNE 2026

	Note	As at 30 June 2026 HK$'000	As at 31 December 2025 HK$'000
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	13	71,690	71,690
Share premium		222,097	222,097
Reserves		1,329,039	1,109,895
Total equity		1,622,826	1,403,682
LIABILITIES			
Non-current liabilities			
Other payables and accruals	14	55,269	61,976
Deferred tax liabilities		5,432	5,965
Lease liabilities		65,455	90,648
		126,156	158,589
Current liabilities			
Trade and other payables	14	3,098,050	2,903,796
Lease liabilities		201,155	208,695
Current income tax liabilities		55,854	24,105
		3,355,059	3,136,596
Total liabilities		3,481,215	3,295,185
Total equity and liabilities		5,104,041	4,698,867

Condensed Consolidated Statement of Changes in Equity (Unaudited)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Share capital HK$'000	Share premium HK$'000	Reserves HK$'000	Total HK$'000
At 1 January 2026	71,690	222,097	1,109,895	1,403,682
Comprehensive income				
Profit for the period	–	–	282,085	282,085
Other comprehensive income				
Currency translation differences	–	–	1,580	1,580
Total comprehensive income	–	–	283,665	283,665
Transaction with owners				
Approved final dividend for 2025 paid	–	–	(43,014)	(43,014)
Approved special dividend for 2025 paid	–	–	(21,507)	(21,507)
	–	–	(64,521)	(64,521)
At 30 June 2026	71,690	222,097	1,329,039	1,622,826
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

Condensed Consolidated Statement of Cash Flows (Unaudited)

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Cash flows from operating activities		
Net cash generated from operations	491,223	156,068
Hong Kong profits tax paid	(15,608)	(1,509)
Borrowings and overdrafts interest paid	(2,509)	(2,125)
Interest element of lease payments	(6,818)	(6,842)
Net cash inflow from operating activities	466,288	145,592
Cash flows from investing activities		
Purchase of property and equipment	(5,704)	(4,738)
Net proceeds from disposal of property and equipment	152	–
Return of capital from financial assets at fair value through other comprehensive income	40	161
Bank interest received	607	1,229
Dividends received from joint ventures	14,100	–
Net cash inflow/(outflow) from investing activities	9,195	(3,348)
Cash flows from financing activities		
Purchase of own shares	–	(157)
Principal element of lease payments	(127,853)	(131,415)
Proceeds from borrowings	815,000	560,000
Repayment of borrowings	(815,000)	(560,000)
Dividends paid to equity holders of the Company	(64,521)	–
Net cash outflow from financing activities	(192,374)	(131,572)
Net increase in cash and cash equivalents	283,109	10,672
Cash and cash equivalents at 1 January	997,219	711,127
Exchange differences	886	365
Cash and cash equivalents at 30 June	1,281,214	722,164

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 Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda and its head office and principal place of business in Hong Kong is Rooms 2505-8, 25th Floor, World-Wide House, 19 Des Voeux Road Central, Hong Kong.

The principal activities of the Company and its subsidiaries (together, the "Group") are the provision of property agency services in Hong Kong, Chinese Mainland and Macau, property leasing, immigration consultancy services and money lending services.

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 26 August 2026.

2 Basis of preparation

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2026 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 2025, 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 2025, 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 2026.

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 2025.

(a) Amended standards effective in 2026

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

Notes to the 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, Chinese Mainland and Macau.

Revenues recognised during the periods are as follows:

	Six months ended 30 June	
	2026	**2025**
	HK$'000	**HK$'000**
Revenues from contracts with customers within the scope of HKFRS 15		
Disaggregated by major service lines		
– Agency fee	3,305,728	2,510,166
– Immigration consultancy services	2,243	4,155
– Web advertising	108	221
– Other services	2,730	2,455
	3,310,809	2,516,997
Revenues from other sources		
– Rental income	779	857
– Interest income from loan receivables	97	63
Total revenues	3,311,685	2,517,917

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

	Six months ended 30 June	
	2026	**2025**
	HK$'000	**HK$'000**
Revenues from property agency business	3,305,728	2,510,166
Commission split (note)	(1,290,118)	(966,748)
Revenues less commission split	2,015,610	1,543,418
Net segment operating costs and income	(1,641,857)	(1,337,833)
Segment results of property agency business (as below)	373,753	205,585

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 2026 and 2025 are as follows:

	Six months ended 30 June 2026				
	Property agency				
	Residential properties HK$'000	Commercial and industrial properties and shops HK$'000	Subtotal HK$'000	Others HK$'000	Total HK$'000
Segment revenues	3,286,264	19,464	3,305,728	11,085	3,316,813
Inter-segment revenues	–	–	–	(5,128)	(5,128)
Revenues from external customers	3,286,264	19,464	3,305,728	5,957	3,311,685
Timing of revenue recognition					
– At a point in time	3,286,264	19,464	3,305,728	2,730	3,308,458
– Over time	–	–	–	2,351	2,351
Rental income	–	–	–	779	779
Interest income from loan receivables	–	–	–	97	97
	3,286,264	19,464	3,305,728	5,957	3,311,685
Revenues	3,286,264	19,464	3,305,728	5,957	3,311,685
Commission split	(1,287,519)	(2,599)	(1,290,118)	–	(1,290,118)
Revenues less commission split	1,998,745	16,865	2,015,610	5,957	2,021,567
Segment results	373,512	241	373,753	8,750	382,503
Depreciation of right-of-use assets	(125,919)	(18)	(125,937)	(92)	(126,029)
Depreciation of property and equipment	(7,836)	(148)	(7,984)	(246)	(8,230)
Net (impairment losses)/reversal of impairment losses on financial assets and contract assets	(811)	(1,775)	(2,586)	17	(2,569)
Share of results of joint ventures	–	–	–	10,795	10,795
Fair value losses on investment properties	–	–	–	(2,152)	(2,152)
Impairment losses on right-of-use assets, net of reversals	(328)	(81)	(409)	–	(409)
Impairment losses on property and equipment	(142)	(35)	(177)	–	(177)
Net losses on disposal of property and equipment	(692)	(153)	(845)	–	(845)
Additions to property and equipment	5,540	39	5,579	125	5,704

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 2025				
	Property agency				
	Residential properties HK$'000	Commercial and industrial properties and shops HK$'000	Subtotal HK$'000	Others HK$'000	Total 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
Commission split	(963,469)	(3,279)	(966,748)	–	(966,748)
Revenues less commission split	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)
Net (impairment losses)/reversal of impairment losses on financial assets and contract 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

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	
	2026	2025
	HK$'000	HK$'000
Segment results for reportable segments	382,503	210,516
Corporate expenses	(50,400)	(31,994)
Bank interest income	607	1,229
Interest on bank borrowings, overdrafts and other borrowings	(2,509)	(2,125)
Profit before income tax	330,201	177,626

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 2026				
	Property agency				
	Residential properties	Commercial and industrial properties and shops	Subtotal	Others	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Segment assets	4,293,241	33,028	4,326,269	56,492	4,382,761
Segment assets include:					
Interests in joint ventures	–	–	–	22,936	22,936
Segment liabilities	3,397,217	25,904	3,423,121	11,175	3,434,296

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

3 Revenues and segment information (continued)

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

Reportable segment assets are reconciled to total assets as follows:

	As at 30 June 2026 HK$'000	As at 31 December 2025 HK$'000
Segment assets	4,382,761	4,234,424
Corporate assets	689,903	431,707
Deferred tax assets	21,267	22,586
Other non-current asset	10,110	10,110
Financial assets at fair value through other comprehensive income	–	40
Total assets	5,104,041	4,698,867

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 2026 HK$'000	As at 31 December 2025 HK$'000
Segment liabilities	3,434,296	3,237,495
Corporate liabilities	41,487	51,725
Deferred tax liabilities	5,432	5,965
Total liabilities	3,481,215	3,295,185

Geographical information:

	Six months ended 30 June	
	2026 HK$'000	2025 HK$'000
Revenues from external customers		
Hong Kong and Macau	3,184,960	2,367,952
Chinese Mainland	126,725	149,965
	3,311,685	2,517,917

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

4 Other losses, net

	Six months ended 30 June	
	2026 HK$'000	2025 HK$'000
Fair value losses on investment properties (note 10)	(2,152)	(1,325)
Others	1,080	1,096
	(1,072)	(229)

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	
	2026	2025
	HK$'000	HK$'000
Direct operating expenses arising from investment properties that:		
– generated rental income	104	106
Office and branch operating expenses (note (i))	42,934	43,418
Government rent and rates, building management fee of leased properties	20,233	19,875
Legal and professional fees	5,715	4,298
Staff recruitment, training and welfare	5,552	4,609
Insurance expenses	7,733	7,777
Bank charges	9,664	8,422
Impairment losses on right-of-use assets, net of reversals (note (ii))	409	2,644
Impairment losses on property and equipment (note (ii))	177	437
Loss on disposal of property and equipment	845	422
Auditor's remuneration		
– audit services	1,529	1,165

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	
	2026	**2025**
	HK$'000	**HK$'000**
Interest on bank borrowings, overdrafts and other borrowings	2,509	2,125
Interest on lease liabilities	6,818	6,842
	9,327	8,967

7 Income tax expense

	Six months ended 30 June	
	2026	**2025**
	HK$'000	**HK$'000**
Current income tax		
Hong Kong profits tax	47,351	24,500
Deferred income tax	765	1,736
	48,116	26,236

Hong Kong profits tax has been calculated at the rate of 16.5% (for the six months ended 30 June 2025: 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 the subsidiary which qualified for the two-tiered profits tax rates regime, the first HK$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong profits tax for this subsidiary was calculated at the same basis in 2025.

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 Dividend

The Board does not declare an interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

In addition, a final dividend of HK6.0 cents per ordinary share and a special dividend of HK3.0 cents per ordinary share, in respect of the financial year ended 31 December 2025 were approved and paid during the six months ended 30 June 2026.

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	
	2026	**2025**
Profit attributable to equity holders for the calculation of basic and diluted earnings per share (HK$'000)	282,085	151,390
Weighted average number of shares for the calculation of basic earnings per share (thousands)	716,896	716,955
Effect on conversation of share options (thousands)	5,582	–
Weighted average number of shares for the calculation of diluted earnings per share (thousands)	722,478	716,955
Basic earnings per share (HK cents)	39.35	21.12
Diluted earnings per share (HK cents)	39.04	21.12

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, 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 2025 and 1 January 2026	22,778
Changes in fair value to condensed consolidated income statement (note 4)	(2,152)
Exchange differences	105
At 30 June 2026	20,731

The valuations of the investment properties as at 30 June 2026 were undertaken by Midland Surveyors Limited (as at 31 December 2025: Jones Lang LaSalle Limited), a qualified professional valuer with appropriate professional qualifications and recent experience in the valuation of similar properties in the relevant locations. Fair values of investment properties in Hong Kong and Chinese Mainland are 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 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:

		Fair value		Range of significant unobservable inputs		
Location of investment properties	Valuation technique	As at 30 June 2026 HK$'000	As at 31 December 2025 HK$'000	Prevailing market rent per month	Capitalisation rate	Adjusted market price
Hong Kong	Income capitalisation	17,800	19,600	HK$47 to HK$96 per sq. ft. (saleable) (31 December 2025: HK$51 to HK$96 per sq. ft. (saleable)	4.00% to 5.70% (31 December 2025: 3.70% to 6.00%)	N/A
Chinese Mainland	Income capitalisation (31 December 2025: Direct comparison)	2,931	3,178	RMB770 per sq. m. (gross) (31 December 2025: N/A)	6.90% (31 December 2025: N/A)	N/A (31 December 2025: RMB150,000 per sq.m.)
Total		20,731	22,778			

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

As at 30 June 2026 and 31 December 2025, 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 2026 HK$'000	As at 31 December 2025 HK$'000
Loan receivables – loans to employees	230	740
Loan receivables – property mortgage loans	–	5,995
Total loan receivables	230	6,735
Less: non-current portion	(230)	(740)
Current portion	–	5,995

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 2026 HK$'000	As at 31 December 2025 HK$'000
Within 1 year	–	5,995
Over 1 year but less than 2 years	230	277
Over 2 years	–	463
	230	6,735

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

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

12 Trade receivables, contract assets and other receivables

	As at 30 June 2026 HK$'000	As at 31 December 2025 HK$'000
Trade receivables	1,355,980	1,327,795
Contract assets	2,061,307	1,920,992
Less: loss allowance	(151,499)	(146,877)
Trade receivables and contract assets, net	3,265,788	3,101,910
Other receivables, prepayments and deposits	155,515	148,118
	3,421,303	3,250,028

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

	As at 30 June 2026 HK$'000	As at 31 December 2025 HK$'000
Contract assets	2,021,361	1,886,664
Trade receivables		
Current (not yet due)	1,041,908	1,094,240
Less than 31 days past due	82,748	53,950
31 to 60 days past due	42,374	26,668
61 to 90 days past due	22,173	11,098
More than 90 days past due	55,224	29,290
	3,265,788	3,101,910

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

Borrowing facilities granted to the Group were secured, inter alia, by floating charge over certain receivables of the Group, with carrying value of approximately HK$3,083,565,000 as at 30 June 2026 (as at 31 December 2025: HK$2,929,655,000).

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 2025	717,086,005	71,709
Cancellation of shares repurchased	(190,000)	(19)
At 31 December 2025, 1 January 2026 and 30 June 2026	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 2026 HK$'000	As at 31 December 2025 HK$'000
Commissions and commission split payables	2,885,159	2,694,665
Other payables and accruals	268,160	271,107
	3,153,319	2,965,772
Categorised as		
Current portion	3,098,050	2,903,796
Non-current portion	55,269	61,976
	3,153,319	2,965,772

Commissions and commission split payables to property consultants, co-operative estate agents and property buyers are due for payment only upon the receipt of corresponding agency fees from customers. These balances include commissions and commission split payables of HK$487,776,000 (as at 31 December 2025: HK$366,814,000) 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 commission split 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 31 December 2025, 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 2026 (for the year ended 31 December 2025: nil).

16 Capital commitments

The Group did not have any significant capital commitments as at 30 June 2026 and 31 December 2025.

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 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 2026. Recently, the High Court has informed the parties that the Judgment will only be available by 30 September 2026. It should also be noted that this date is subject to a potential extension depending on the schedule of the Court and other factors.

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

In addition to pursuing the JR Application and the Stay Application, the Company shall continue to defend the Tribunal Proceedings (if any) vigorously and explore all avenues of action subject to legal advice as and when appropriate. 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 2026.

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

		Six months ended 30 June	
		2026	2025
	Note	HK$'000	HK$'000
Agency fee income from related companies	(i)	30,373	82,091
Commission split to related companies	(ii)	(15,548)	(8,442)
License fee income from related companies	(iii)	629	583
Agency fee to a related company	(iv)	–	(148)
Referral fee income from a related company	(v)	1,609	650

Notes:

(i) Agency fee income from related companies represents agency fee from referral of property agency transactions to related companies on terms mutually agreed by both parties.

(ii) Commission split to related companies represents commission split for property agency transactions referred by related companies on terms mutually agreed by both parties.

(iii) License fee income from related companies represents license fee for the use of trademark by related companies on terms mutually agreed by both parties.

(iv) Agency fee to a related company represents agency fee for provision of property agency services by a related company on terms mutually agreed by both parties.

(v) Referral fee income from a related company represents referral services to a related company pursuant to insurance brokering business 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.

The related company referred in note (v) above represents a company which is indirectly majority owned by Mr. WONG's associates.

During the six months ended 30 June 2026, the Group shared administrative and corporate services fee on a cost basis with an aggregate amount of HK$10,803,000 (for the six months ended 30 June 2025: HK$12,775,000) with subsidiaries of Legend Upstar.

(b) During the six months ended 30 June 2026, 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$2,228,000 at the commencement date of the lease (for the six months ended 30 June 2025: HK$2,241,000).

During the six months ended 30 June 2026, lease payments to a subsidiary of Legend Upstar under a lease amounted to HK$1,145,000 (for the six months ended 30 June 2025: HK$1,162,000).

(c) During the six months ended 30 June 2026, lease payments to certain companies, of which Mr. WONG is the beneficial owner, under certain leases amounted to HK$1,257,000 (for the six months ended 30 June 2025: HK$1,360,000).

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

	As at 30 June 2026 HK$'000	As at 31 December 2025 HK$'000
Trade receivables, contract assets and other receivables		
Amounts due from related companies (note 18(a))	39,347	56,372
Trade and other payables		
Amounts due to related companies (note 18(a))	(22,864)	(19,886)
Lease liabilities		
Amount due to a related company (note 18(b))	(1,607)	(494)
Amounts due to other related companies (note 18(c))	(2,670)	(3,851)

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	
	2026	2025
	HK$'000	HK$'000
Fees, salaries, allowances and incentives	33,735	21,041
Termination benefits	–	390
Retirement benefit costs	18	23
	33,753	21,454

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