Midland Holdings Limited

美聯集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1200)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board of directors (the "Board") of Midland Holdings Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2026 (the "Interim Period") together with the comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED) FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Six months ended 30 June	
	Note	**2026**	2025
		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		**20,731**	22,778
Interests in joint ventures		**22,936**	26,240
Financial assets at fair value through other comprehensive income		**-**	40
Deferred income tax assets		**21,267**	22,586
Loan receivables	*10*	**230**	740
Other non-current asset		**10,110**	10,110
		401,135	443,006
Current assets			
Trade receivables, contract assets and other receivables	*11*	**3,421,303**	3,250,028
Tax recoverable		**389**	383
Loan receivables	*10*	**-**	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		**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		**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	*12*	**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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (UNAUDITED)

1 General information

The Company is a limited liability company incorporated in Bermuda and listed on the Main Board of The Stock Exchange 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 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 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.

2 Basis of preparation (continued)

(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.

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.

3 Revenues and segment information (continued)

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 is 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.

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.

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 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.

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**

3 Revenues and segment information (continued)

	As at 31 December 2025				
	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	4,124,178	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	As at 31 December 2025
	HK$'000	*HK$'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

Reportable segment liabilities are reconciled to total liabilities as follows:

	As at 30 June 2026	As at 31 December 2025
	HK$'000	*HK$'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

3 Revenues and segment information (continued)

Geographical information:

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

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.

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.

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.

10 Loan receivables

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.

11 Trade receivables, contract assets and other receivables

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 transactions 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*
Contracts 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 receivable, contract assets and other receivables are mainly denominated in Hong Kong dollars and Renminbi.

12 Trade and other payables

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company is pleased to announce that for 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 the 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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

INTERIM DIVIDEND

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

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with all the applicable code provisions set out in the Corporate Governance Code 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules.

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

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.

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.

PUBLICATION OF 2026 INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.midland.com.hk). The Company's 2026 Interim Report will be despatched to the shareholders of the Company and will be published on the websites of the Stock Exchange and the Company in due course.

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.

We would like to express our sincere gratitude to our entire workforce for their unrelenting commitment, motivation, and focus over the past few years. We 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.

By Order of the Board
Midland Holdings Limited
WONG Ching Yi, Angela
Deputy Chairman, Managing Director and Executive Director

Hong Kong, 26 August 2026

As at the date of this announcement, the Board comprises seven Directors, of which three are Executive Directors, namely Mr. WONG Kin Yip, Freddie, Ms. WONG Ching Yi, Angela and Mr. SZE Ka Ming; and four are Independent Non-Executive Directors, namely Mr. HO Kwan Tat, Ted, Mr. SUN Tak Chiu, Mr. CHAN Nim Leung Leon and Mr. LI Wai Keung.