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PROFIT WARNING

This announcement is made by Midland Holdings Limited (the “**Company**”), and together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group for the eleven months ended 30 November 2022 which recorded a consolidated net loss attributable to equity holders of approximately HK\$480 million, and information currently available to the Group, it is expected that the Group will record a consolidated net loss attributable to equity holders for the year ending 31 December 2022 as compared to the consolidated net profit attributable to equity holders of approximately HK\$100 million for the year ended 31 December 2021.

Such expected net loss was mainly attributable to:

- (1) a significant decline in transaction volume of residential property sales in Hong Kong of around 40%, which may reach a new low in 27 years since 1996. Such decline was caused by multiple negative factors such as (i) COVID-related restrictions and measures in Hong Kong; (ii) interest rate hikes; (iii) slowdown in sales launch of first-hand properties; (iv) poor investment sentiment; and (v) prolonged closing of the border between Hong Kong and Mainland China;
- (2) despite our best efforts, limited rental concessions granted by landlords; and
- (3) business in Mainland China suffered from poor market conditions in view of the lockdowns and other COVID-related measures and the loss of buyers’ confidence in presale of uncompleted properties.

The information contained in this announcement is only based on a preliminary review of the unaudited consolidated management accounts of the Group for the eleven months ended 30 November 2022 and information currently available to the Group. The financial results of the Group for the year ending 31 December 2022 will be set out in the annual results announcement of the Company to be published by the end of March 2023.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Midland Holdings Limited
MUI Ngar May, Joel
Company Secretary

Hong Kong, 23 December 2022

As at the date of this announcement, the Board comprises seven Directors, of which four are Executive Directors, namely Mr. WONG Kin Yip, Freddie, Ms. WONG Ching Yi, Angela, Mr. WONG Tsz Wa, Pierre and Mr. CHEUNG Kam Shing; and three are Independent Non-Executive Directors, namely Mr. HO Kwan Tat, Ted, Mr. SUN Tak Chiu and Mr. WONG San.