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M&L HOLDINGS GROUP LIMITED
明標控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8152)

PROFIT WARNING

This announcement is made by M&L Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company would like to inform the shareholders and potential investors of the Company that, based on the information currently available to the Board, the Group is expected to record a loss before tax of not less than HK9.0 million and a total comprehensive loss of not less than HK\$4.5 million for the year ended 31 December 2021 (the “**FY2021**”) respectively, as compared to the loss before tax of HK\$6.5 million and total comprehensive loss of HK\$4.9 million for the previous year ended 31 December 2020 (the “**Previous Year**”).

The Board considers that the expected loss for the FY2021 was mainly attributable to no major tunnel boring projects being launched in Hong Kong and that progress of construction activities worldwide being affected by the COVID-19 outbreak. From a year-on-year comparison perspective, the Board considers that the increase in expected loss for the FY2021 as compared to the Previous Year was mainly due to the combined effect of (i) a relatively stable gross profit as a result of an increase in revenue from the foundation business segment but a drop in gross margin owing to price competition in the market; (ii) a decrease in other income by approximately HK\$1.1 million as the other income in the Previous Year was mainly non-recurring government subsidies for pandemic relief; (iii) exchange gain reduced by approximately HK\$2.9 million to approximately HK\$1.3 million for the FY2021 mainly as a result of the depreciation of the Australian dollars which partly offset the gain on exchange of Renminbi and Euros; (iv) net write-back of provision of impairment loss of approximately HK\$1.1 million in the Previous Year; and partly compensated by (v) an decrease of approximately HK\$2.1 million in selling expenses, as the unexpected increase in freight rates in the Previous Year caused by disorder in the shipping market receded. Meanwhile, an revaluation gain of approximately HK\$4.6 million (net of deferred tax) on land and buildings is expect to be recorded in the FY2021, which contributed to the reduction in total comprehensive loss for FY2021.

The Company is in the process of finalising its audited consolidated results for the FY2021. The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the information currently available as aforementioned, which has not been audited by the auditor or reviewed by the audit committee of the Company and may be subject to change. Shareholders of the Company and potential investors are advised to read carefully the announcement of annual results of the Group for the FY2021 which is expected to be published by the end of March 2022.

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
M&L Holdings Group Limited
Ng Lai Ming
*Executive Director, Chairman and
Chief Executive Officer*

Hong Kong, 1 March 2022

*This announcement, for which the directors of the Company (the “**Directors**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

As at the date of this announcement, the executive Directors are Mr. Ng Lai Ming (chairman of the Board), Mr. Ng Lai Tong and Mr. Ng Lai Po and the independent non-executive Directors are Mr. Tai Wai Kwok, Ir Lo Kok Keung and Mr. Lau Chi Leung.

This announcement will remain on the website of the GEM of The Stock Exchange of Hong Kong Limited at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This announcement will also be published on the website of the Company at www.mleng.com.