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Milestone Builder Holdings Limited

進階發展集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1667)

PROFIT WARNING

This announcement is made by Milestone Builder Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on the information currently available to the board of directors of the Company (the “**Board**”) and the preliminary review of the management accounts of the Group for the year ended 31 March 2021 (the “**Current Year**”), the Board wishes to inform the shareholders of the Company and potential investors of its preliminary estimation that the Group is expected to record a consolidated net loss attributable to the owners of the Company for the Current Year of not more than approximately HK\$53.0 million as compared to a consolidated net loss of approximately HK\$17.0 million for the corresponding period last year.

The expected loss of the Group’s results was primarily attributable to:

1. the on-going projects during the Period which had lowered gross profit margin than that of the on going projects during the corresponding period last year due to the increasingly competitive environment of the construction industry;
2. decrease in the number of projects awarded to the Group in both public and private construction market, due to severe competition and the negative effect arising from the outbreak of the novel coronavirus (COVID-19) and the overall economic depression in Hong Kong;
3. cost overrun resulting from unexpected prolonged completion of certain projects as there were additional costs incurred to catch up with the progress of these certain on-going projects and to maintain the quality of construction work; and

4. fair value loss on financial assets at fair value through profit or loss.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the latest unaudited consolidated management accounts of the Group for the Current Year and other information currently available to the Company which have not been audited or reviewed by the auditors or the audit committee of the Company. The Company is still in the course of finalising such accounts, which are yet to be audited. The audited consolidated final results of the Group for the Current Year are expected to be announced by the end of June 2021.

By Order of the Board
Milestone Builder Holdings Limited
Hou Lingling
Chairperson and Executive Director

Hong Kong, 21 June 2021

As at the date of this announcement, the Board of the Company comprises Ms. Hou Lingling and Mr. Ma Gang as executive Directors and Mr. Ho Siu Keung, Mr. Chu Kin Ming and Mr. Ho Wing Sum as independent non-executive Directors.