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M&L HOLDINGS GROUP LIMITED

明樑控股集團有限公司

(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 of approximately HK\$2.0 million for the three months ended 31 March 2022 (the “**Period**”) as compared to the loss of HK\$4.3 million for the corresponding period in 2021.

The Board considers that the expected loss for the Period was mainly attributable to a low level of revenue recognised, as potential customers, particularly in the PRC market, have delayed and/or taken a more prudent and price-conscious approach to their purchasing decisions since the COVID-19 outbreak. From a period-on-period comparison perspective, the Board considers that the decrease in expected loss for the Period as compared to the corresponding period in 2021 was mainly due to the combined effect of (i) a reduction in revenue for the Period by approximately HK\$10.5 million, as performance of the foundation segment in Hong Kong was adversely affected by the COVID-19 omicron variant outbreak and potential overseas sales were deterred by high shipping cost, which together led to a decrease in gross profit by approximately HK\$1.6 million; (ii) a reduction in selling expenses (mainly shipping costs) by approximately HK\$2.1 million as there was minimal sales to overseas customers during the Period; and (iii) an increase in foreign exchange gain by approximately HK\$1.4 million as a result of appreciation of Australian Dollars and depreciation of the Euro during the Period.

The Company is in the process of finalising its unaudited consolidated results for the Period. 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 have not been 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 quarterly results of the Group for the Period which is expected to be published on 13 May 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, 3 May 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.