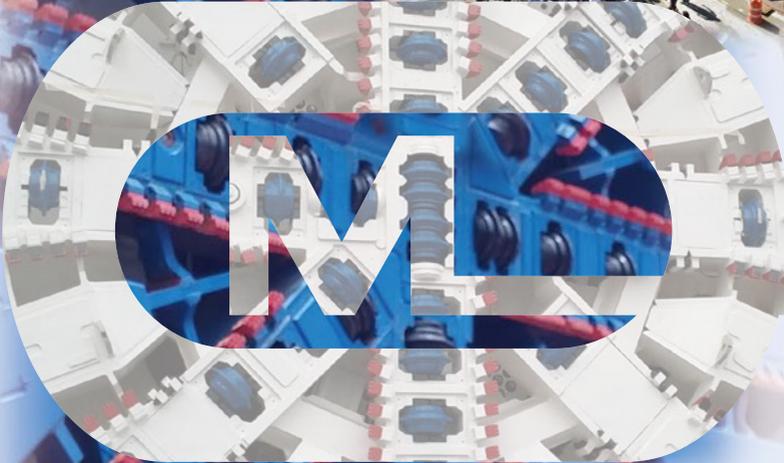




# M&L HOLDINGS GROUP LIMITED 明樑控股集團有限公司

Incorporated in the Cayman Islands with limited liability  
Stock Code: 8152



# 2019

FIRST QUARTERLY REPORT

## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of M&L Holdings Group Limited (the “Company”) 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 (the “GEM Listing Rules”) 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 report 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 report misleading.



## First Quarterly Results

The board of Directors (the "Board") of M&L Holdings Group Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group") for the three months ended 31 March 2019, together with the comparative figures for the corresponding period in 2018.

## Condensed Consolidated Statement of Comprehensive Income

For the three months ended 31 March 2019

	Note	Unaudited Three months ended 31 March	
		2019 HK\$'000	2018 HK\$'000
<b>Revenue</b>	3	<b>22,723</b>	30,878
Cost of sales		(15,742)	(21,767)
<b>Gross profit</b>		<b>6,981</b>	9,111
Other income		87	51
Selling expenses		(1,212)	(1,083)
Administrative expenses		(6,476)	(5,942)
<b>Operating (loss)/profit</b>		<b>(620)</b>	2,137
Finance income		52	49
Finance costs		(295)	(206)
<b>(Loss)/profit before income tax</b>		<b>(863)</b>	1,980
Income tax expense	4	(44)	(851)
<b>(Loss)/profit for the period</b>		<b>(907)</b>	1,129
<b>Other comprehensive income</b>			
<i>Item that may be reclassified to profit or loss:</i>			
Currency translation differences		360	491
<b>Total comprehensive income</b>		<b>(547)</b>	1,620

## Condensed Consolidated Statement of Comprehensive Income

For the three months ended 31 March 2019

	Note	Unaudited	
		Three months ended 31 March	
		2019	2018
		HK\$'000	HK\$'000
<b>(Loss)/profit for the period attributable to:</b>			
Equity holders of the Company		(881)	1,047
Non-controlling interests		(26)	82
		<b>(907)</b>	<b>1,129</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company		(530)	1,532
Non-controlling interests		(17)	88
		<b>(547)</b>	<b>1,620</b>
<b>(Loss)/earnings per share</b>			
— Basic and diluted (expressed in HK cents per share)	5	<b>(0.15)</b>	0.17

## Condensed Consolidated Statements of Changes in Equity

For the three months ended 31 March 2019

	Attributable to equity holders of the Company					
	Share capital	Reserves	Share premium	Total	Non- controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>At 1 January 2019 (audited)</b>	6,000	43,303	63,332	112,635	1,448	114,083
<b>Comprehensive income:</b>						
Loss for the period	-	(881)	-	(881)	(26)	(907)
<b>Other comprehensive income:</b>						
Currency translation differences	-	351	-	351	9	360
Total comprehensive income for the period	-	(530)	-	(530)	(17)	(547)
<b>At 31 March 2019 (unaudited)</b>	6,000	42,773	63,332	112,105	1,431	113,536
<b>At 1 January 2018 (audited)</b>	6,000	53,706	63,332	123,038	1,540	124,578
<b>Comprehensive income:</b>						
Profit for the period	-	1,047	-	1,047	82	1,129
<b>Other comprehensive income:</b>						
Currency translation differences	-	485	-	485	6	491
Total comprehensive income for the period	-	1,532	-	1,532	88	1,620
<b>At 31 March 2018 (unaudited)</b>	6,000	55,238	63,332	124,570	1,628	126,198

## Notes to the Condensed Consolidated Financial Information

### 1 GENERAL INFORMATION AND BASIS OF PRESENTATION

M&L Holdings Group Limited (the "Company") was incorporated in the Cayman Islands on 24 September 2015 as an exempted company with limited liability. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited on 21 July 2017.

The address of the Company's registered office is PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business in Hong Kong is located at 10th Floor, Empress Plaza, 17-19 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong. The Group, comprising the Company and its subsidiaries, is principally engaged in trading and lease of construction machinery and spare parts.

The ultimate holding company of the Group is JAT United Company Limited, which is a company incorporated in the British Virgin Islands and wholly owned by Mr. Ng Lai Ming.

The condensed consolidated financial information is presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company. All value are rounded to the nearest thousand except when otherwise indicated.

The condensed consolidated financial information of the Group for the three months ended 31 March 2019 which has not been audited but has been reviewed by the audit committee of the Company. The unaudited condensed consolidated financial information was approved for issue by the board of directors on 9 May 2019.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation

This condensed consolidated financial information for the three months ended 31 March 2019 has been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretation (hereinafter collectively referred to as the "HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of the GEM Listing Rules. The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2018.

The accounting policies used in the preparation of this condensed consolidated financial information are consistent with those described in the annual financial statements for the year ended 31 December 2018, except for the adoption of new or revised HKFRSs which have become effective for accounting periods beginning on or after 1 January 2019.

Certain new or revised HKFRSs, potentially relevant to the Group's accounting policies, have been issued, but not yet effective and have not been early adopted by the Group.

## Notes to the Condensed Consolidated Financial Information

### 3 REVENUE AND SEGMENT INFORMATION

	Unaudited	
	Three months ended 31 March	
	2019	2018
	HK\$'000	HK\$'000
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Timing of revenue recognition — At a point in time		
— Sales of goods	20,825	29,885
— Repair and maintenance services income	1,358	993
Timing of revenue recognition — Transferred over time	—	—
	22,183	30,878
<b>Revenue from other sources</b>		
— Machinery rental income	540	—
	22,723	30,878

The operating segments are reported in a manner consistent with the way in which information is reported internally to the Group's chief operating decision-maker for the purposes of resources allocation and assessment of segment performance. The executive directors considered the nature of the Group's business and determined that the Group has two reportable operating segments as follows:

- (i) Tunnelling — Supply of specialised cutting tools and parts for construction equipment
- (ii) Foundation — Supply of fabricated construction steel works and equipment

The executive directors assess the performance of the operating segments based on revenue and gross profit margin of each segment. As the Group's resources are integrated and there are no discrete operating segment assets and liabilities for the tunnelling and foundation business segments reported to the chief operating decision maker, accordingly, no operating segment assets and liabilities are presented.

Segment revenue reported represents revenue generated from external customers. There were no inter-segment sales during the three months ended 31 March 2019 and 2018. The accounting policies of the reportable segments are the same as the Group's accounting policies.

## Notes to the Condensed Consolidated Financial Information

### 3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

- (a) The segment information provided to the executive directors for the reportable segments for the three months ended 31 March 2019 (unaudited) is as follows:

	Tunnelling HK\$'000	Foundation HK\$'000	Total HK\$'000
Segment revenue (all from external customers)	21,101	1,622	22,723
Cost of sales	(14,911)	(831)	(15,742)
Segment results	6,190	791	6,981
Gross profit %	29.34%	48.77%	30.72%
Other income			87
Selling expenses			(1,212)
Administrative expenses			(6,476)
<b>Operating loss</b>			<b>(620)</b>
Finance income			52
Finance costs			(295)
<b>Loss before income tax</b>			<b>(863)</b>
Income tax expense			(44)
<b>Loss for the period</b>			<b>(907)</b>

## Notes to the Condensed Consolidated Financial Information

### 3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

- (b) The segment information provided to the executive directors for the reportable segments for the three months ended 31 March 2018 (unaudited) is as follows:

	Tunnelling HK\$'000	Foundation HK\$'000	Total HK\$'000
Segment revenue (all from external customers)	27,845	3,033	30,878
Cost of sales	(19,436)	(2,331)	(21,767)
Segment results	8,409	702	9,111
Gross profit %	30.20%	23.15%	29.51%
Other income			51
Selling expenses			(1,083)
Administrative expenses			(5,942)
<b>Operating profit</b>			2,137
Finance income			49
Finance costs			(206)
<b>Profit before income tax</b>			1,980
Income tax expense			(851)
<b>Profit for the period</b>			1,129

- (c) Revenue from external customers by customer location are as follows:

	Unaudited	
	Three months ended 31 March	
	2019 HK\$'000	2018 HK\$'000
Hong Kong	3,512	5,604
The PRC	8,743	20,471
Singapore and other Asia-Pacific countries	4,345	4,803
Others	6,123	–
	<b>22,723</b>	30,878

## Notes to the Condensed Consolidated Financial Information

### 4 INCOME TAX EXPENSE

	Unaudited	
	Three months ended 31 March	
	2019	2018
	HK\$'000	HK\$'000
Current taxation		
— Hong Kong profits tax	—	31
— Mainland China corporate income tax	200	588
— Singapore corporate income tax	—	13
— Australia corporate income tax	15	—
Deferred income tax	(171)	219
<b>Income tax expense</b>	<b>44</b>	<b>851</b>

The Group is not subject to taxation in the Cayman Islands and British Virgin Islands.

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the three months ended 31 March 2019 and 2018.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No.7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The two-tiered profits tax rates regime is applicable to a nominated qualifying entity in the Group for its annual period beginning on or after 1 January 2018.

Mainland China corporate income tax has been provided for at the rate of 25% on the estimated assessable profits for the Group's operations in Mainland China for the three months ended 31 March 2019 and 2018. Singapore corporate income tax has been provided for at the rate of 17% on the estimated assessable profit for the Group's operations in Singapore for the three months ended 31 March 2019 and 2018. Australia corporate income tax has been provided for at the rate of 30% on the estimated assessable profits for the Group's operations in Australia for the three months ended 31 March 2019.

## Notes to the Condensed Consolidated Financial Information

### 5 (LOSS)/EARNINGS PER SHARE

#### (a) Basic

The basic (loss)/earnings per share is calculated on the (loss)/profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the respective period.

	Unaudited	
	Three months ended 31 March	
	2019	2018
(Loss)/profit attributable to equity holders of the Company ( <i>HK\$'000</i> )	(881)	1,047
Weighted average number of ordinary shares in issue ( <i>thousands</i> )	600,000	600,000
Basic (loss)/earnings per share ( <i>expressed in HK cents</i> )	(0.15)	0.17

#### (b) Diluted

Diluted (loss)/earnings per share presented is the same as the basic (loss)/earnings per share as there were no potentially dilutive ordinary shares outstanding as at period end.

### 6 DIVIDENDS

No interim dividend was declared for the three months ended 31 March 2019 (2018: Nil).

## Management Discussion and Analysis

### BUSINESS REVIEW

#### *Background, recent development and outlook*

The Group is an integrated engineering solutions provider in connection with specialised cutting tools and parts for construction equipment with particular focus on disc cutters. Disc cutters are widely used in conjunction with tunnel boring machines (“TBM”) and microtunnelling equipment and typically applied towards the excavation of tunnels with circular cross section through a variety of soil and rock strata. In addition to our focus in tunnelling sector, we also provide integrated engineering solutions to our customers in the foundation sector.

In general, our integrated engineering solutions involve (i) the supply of specialised cutting tools and parts for construction equipment; (ii) the supply of fabricated construction steel works and equipment; (iii) the supply of specialised construction equipment, and repair and maintenance services. Our business can broadly be categorized into two segments, namely tunnelling and foundation.

To heighten the Group's recognition and enhance its capital base, the Company listed its shares on GEM of the Stock Exchange on 21 July 2017 by ways of placing and public offer.

#### *Hong Kong market*

Recently, no new TBM tunnelling projects was staged in Hong Kong which had in turn adversely affected our revenue from Hong Kong. Nevertheless, we will closely monitor the development of new railway schemes which were recommended in the “Railway Development Strategy” published by the Transport and Housing Bureau of Hong Kong in 2014.

For foundation sector, we have seen some new projects being staged in 2018 and 2019, we expect the demand for our branded foundation products remains stable in 2019.

On the whole, the management is confident that Hong Kong market will be recovered gradually in mid to long term.

## Management Discussion and Analysis

### *PRC market*

The Group's business in the PRC market was related to the supply of specialised cutting tools and parts mainly for tunnelling equipment manufacturers. We observed competition building up in the cutting tools market in the PRC and a trend for tunnelling equipment manufacturers diversifying supplier base for cutting tools. As such, we have recorded a drop in the revenue from sales to PRC tunnelling equipment manufacturer for the three months ended 31 March 2019, as compared to the same period of 2018. Nevertheless, our revenue from sales to the PRC construction sites remained stable.

### *Singapore and other Asia-Pacific countries*

The Group has utilised Singapore as a regional hub to seek opportunities for expansion into Malaysia. The Group is targeting certain new infrastructure projects pending to be launched in Singapore in 2019 and the management is prudently optimistic in the expansion of Malaysia market. Furthermore, in response to the slow performance of business in Singapore, the management have liaised actively with projects and customers in other Asia-Pacific countries for new business opportunities.

### *Other countries*

We are also seeking actively for expansion opportunities in the global markets. We are delighted to announce that we recorded revenue from our new targeted markets. We will keep exploring expansion opportunities and identify the next growing point of the Group.

## FINANCIAL REVIEW

### *Revenue*

Our revenue decreased by approximately HK\$8.2 million, or 26.5%, from approximately HK\$30.9 million for three months ended 31 March 2018 to approximately HK\$22.7 million for the three months ended 31 March 2019. The decrease was primarily attributable to the decrease in revenue recognized for our tunnelling segment by approximately HK\$6.7 million, or 24.1%, from approximately HK\$27.8 million for the three months ended 31 March 2018 to approximately HK\$21.1 million for the three months ended 31 March 2019. Meanwhile, the revenue recognized for our foundation segment was also decreased, by HK\$1.4 million, or 46.7%, from approximately HK\$3.0 million for the three months ended 31 March 2018 to approximately HK\$1.6 million for the three months ended 31 March 2019. From the perspective of geographic locations of our customers, revenue derived from customers based in Hong Kong, the PRC and Singapore and other Asia-Pacific countries decreased by approximately HK\$2.1 million, HK\$11.8 million and HK\$0.5 million to approximately HK\$3.5 million, HK\$8.7 million and HK\$4.3 million from the corresponding prior period, respectively.

## Management Discussion and Analysis

### *Cost of sales*

Cost of sales represents costs and expenses directly attributable to our revenue generating activities. Our cost of inventories sold accounted for the largest part of our cost of sales. Our cost of sales decreased by approximately HK\$6.1 million, or 28.0%, from approximately HK\$21.8 million for the three months ended 31 March 2018 to approximately HK\$15.7 million for the three months ended 31 March 2019. Such movement was primarily attributable to the decrease in cost of inventory sold associated with our decrease in revenue.

### *Gross profit*

Our gross profit decreased by approximately HK\$2.1 million, or 23.1%, from approximately HK\$9.1 million for the three months ended 31 March 2018 to approximately HK\$7.0 million for the three months ended 31 March 2019. Our gross profit margin increased slightly from approximately 29.5% for the three months ended 31 March 2018 to approximately 30.7% for the three months ended 31 March 2019. The increase in gross profit margin was largely due to the difference in the mix of products and services supplied by us during the respective periods.

### *Other income*

The other income primarily consisted of inspection charges. Our net other income kept stable at approximately HK\$0.1 million for the three months ended 31 March 2019 and 2018 respectively.

### *Selling expenses*

Selling expenses mainly include freight charges and sales commission for our staff accounted for under the employee benefit expenses. Selling expenses increased from approximately HK\$1.1 million for the three months ended 31 March 2018 to HK\$1.2 million for the three months ended 31 March 2019, which was mainly attributable to the increase in freight charges of overseas markets.

### *Administrative expenses*

Administrative expenses mainly include staff costs, Directors' remuneration and benefits (both accounted for under the employee benefit expenses), legal and professional fees, depreciation and amortisation, (reversal of provision)/provision for impairment loss on trade receivables and other administrative expenses. Administrative expenses increased from approximately HK\$5.9 million for the three months ended 31 March 2018 to HK\$6.5 million for the three months ended 31 March 2019.

## Management Discussion and Analysis

### *Finance income and finance costs*

The net amount of finance costs remained stable at approximately HK\$0.2 million for the three months ended 31 March 2019 and 2018.

### *Income tax expense*

Our income tax represents Hong Kong profits tax, the PRC enterprise income tax, Singapore corporate income tax and Australia corporate income tax. Our Group is not subject to any income tax in the Cayman Islands and British Virgin Islands. Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the three months ended 31 March 2019. On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No.7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2.0 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2.0 million will be taxed at 16.5%. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime is applicable to a nominated qualifying entity in the Group for its annual period beginning on or after 1 January 2018. Mainland China corporate income tax has been provided for at the rate of 25% on the estimated assessable profits for the Group's operations in Mainland China for the three months ended 31 March 2019. Singapore corporate income tax has been provided for at the rate of 17% on the estimated assessable profit for the Group's operations in Singapore for the three months ended 31 March 2019. Australia corporate income tax has been provided for at the rate of 30% on the estimated assessable profits for the Group's operations in Australia for the three months ended 31 March 2019. The income tax expense for the three months ended 31 March 2019 was approximately HK\$44,000, while we recorded an income tax expense of approximately HK\$0.9 million for the three months ended 31 March 2018. The decrease was primarily due to a decrease in our Group's assessable profit for the three months ended 31 March 2019.

### *(Loss)/profit attributable to equity holders of our Company*

We recorded a loss attributable to equity holders of our Company for the three months ended 31 March 2019 of approximately HK\$0.9 million, while it was a profit of approximately HK\$1.0 million for the three months ended 31 March 2018.

## CAPITAL COMMITMENT

As at 31 March 2019, the Group had capital commitments in respect of the property, plant and equipment that had been contracted for but not provided for in the condensed consolidated financial information of approximately HK\$992,000 (31 December 2018: HK\$1,196,000).

## Management Discussion and Analysis

### CHARGES ON ASSETS

As at 31 March 2019, certain machinery and equipment and inventories with carrying value of approximately HK\$7,398,000 (as at 31 December 2018: HK\$7,574,000) were pledged to secure for the Group's borrowings.

### CONTINGENT LIABILITIES

As at 31 March 2019, the Group did not have any significant contingent liabilities.

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2019, the interests and short positions of the Directors in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong ("SFO")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO) or which were required pursuant to section 352 of the SFO to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

#### *Long positions in shares of the Company*

Director	Nature of interest	Number of shares	Percentage of the Company's issued shares capital
Mr. Ng Lai Ming ( <i>note 2</i> )	Interest in a controlled corporation ( <i>note 1</i> )	364,095,000	60.68%
Mr. Cheung King	Beneficial owner	31,005,000	5.17%
Mr. Ng Lai Tong	Beneficial owner	29,025,000	4.84%
Mr. Ng Lai Po	Beneficial owner	4,500,000	0.75%

*Notes:*

- (1) The 364,095,000 shares are owned by JAT United Company Limited ("JAT United"), which is wholly owned by Mr. Ng Lai Ming. Mr. Ng Lai Ming is deemed to be interested in all the shares held by JAT United under the SFO.
- (2) Mr. Ng Lai Ming is the brother of Mr. Ng Lai Tong and Mr. Ng Lai Po.

## Management Discussion and Analysis

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (CONTINUED)

#### *Directors' interests in an associated corporation of the Company*

<b>Director</b>	<b>Associated corporation</b>	<b>Nature of interest</b>	<b>Number of shares/ Position</b>	<b>Percentage of the shareholding</b>
Mr. Ng Lai Ming	JAT United	Beneficial owner	1/Long position	100%

Save as disclosed above, as at 31 March 2019, none of the Directors or any chief executive of the Company had an interest or short position in any shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO) or which were required pursuant to section 352 of the SFO to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

## Management Discussion and Analysis

### SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 31 March 2019, the following person(s), not being a Director or chief executive of our Company, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required pursuant to section 336 of the SFO to be entered in the register referred to therein or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of our Group:

#### *Long position in shares of the Company*

Shareholder	Capacity/Nature of interest	Number of shares	Percentage of the Company's issued shares capital
JAT United ( <i>note 1</i> )	Beneficial owner	364,095,000	60.68%
Ms. Law So Lin ( <i>note 2</i> )	Interest of spouse	364,095,000	60.68%

#### *Notes:*

- (1) JAT United is wholly owned by Mr. Ng Lai Ming. Mr. Ng Lai Ming is deemed to be interested in all the shares held by JAT United under the SFO.
- (2) Ms. Law So Lin is the spouse of Mr. Ng Lai Ming, therefore she is deemed to be interested in all the shares in which Mr. Ng Lai Ming is interested in.

Saved as disclosed above, as at 31 March 2019, no other person had any interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required pursuant to section 336 of the SFO to be entered in the register referred to therein.

## Management Discussion and Analysis

### SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) on 19 June 2017 and no options have been granted, exercised or cancelled since then and up to the date of this report.

The Share Option Scheme shall be valid and effective for a period of 10 years from the adoption date, after which no further options may be issued.

### CORPORATE GOVERNANCE AND COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our shareholders as a whole.

The Company adopted the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix 15 of the GEM Listing Rules and had complied with the CG Code during the three months ended 31 March 2019 and up to the date of this report, except for the deviation stipulated below.

As required by code provision A.2.1 of the CG Code, the roles of chairman and the chief executive officer should be separate and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Mr. Ng Lai Ming currently performs these two roles concurrently. The Board believes that vesting the roles of both the chairman and the chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group for more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority within the Group will not be impaired by the present arrangement and the current structure will enable the Company to make and implement decisions more promptly and effectively. The Board will from time to time review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company to ensure that appropriate and timely arrangements are in place to meet changing circumstances.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries, had purchased, sold or redeemed any of the Company's listed securities during the three months ended 31 March 2019.

### COMPETING INTERESTS

None of the Directors, substantial shareholders of the Company or their respective associates (as defined in the GEM Listing Rules) has any interest in a business which compete with the business of the Group during the three months ended 31 March 2019 and up to and including the date of this report.

## Management Discussion and Analysis

### INTERESTS OF THE COMPLIANCE ADVISER

As notified by the Company's compliance adviser, VMS Securities Limited (the "Compliance Adviser"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser which commenced on 21 July 2017, neither the Compliance Adviser nor its directors, employees or associates had any interests in relation to the Company as at the date of this report which is required to be notified to the Company pursuant Rule 6A.32 of the GEM Listing Rules.

### AUDIT COMMITTEE

The members of the audit committee are Mr. Tai Wai Kwok, Ir Lo Kok Keung and Mr. Lau Chi Leung, all of whom are independent non-executive Directors. Mr. Tai Wai Kwok is the chairman of the audit committee. The audit committee has reviewed this report and has provided advice and comments thereon.

By order of the Board of  
**M&L Holdings Group Limited**  
**Ng Lai Ming**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 9 May 2019

*As at the date of this report, the executive Directors are Mr. Ng Lai Ming, Mr. Ng Lai Tong, Mr. Cheung King 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.*