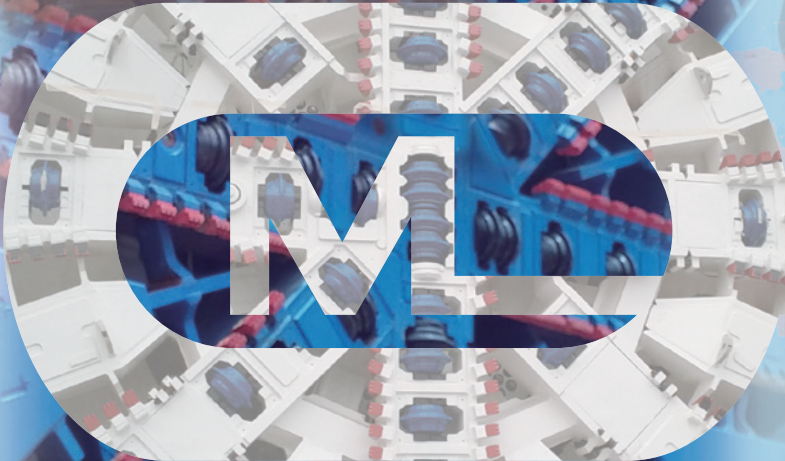




# M&L HOLDINGS GROUP LIMITED 明樑控股集團有限公司

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



# 2020

THIRD 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.**

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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 enquires, 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.



## Third 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 and nine months ended 30 September 2020, together with the comparative figures for the corresponding periods in 2019.

### Condensed Consolidated Statement of Comprehensive Income

For the three months and nine months ended 30 September 2020

	Notes	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
		2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
<b>Revenue</b>	3	<b>19,393</b>	37,543	<b>51,006</b>	107,796
Cost of sales		(12,789)	(27,855)	(35,979)	(77,900)
<b>Gross profit</b>		<b>6,604</b>	9,688	<b>15,027</b>	29,896
Other income/(expenses), net		547	(2)	942	63
Other gains/(losses), net		22	22	85	(208)
Exchange gains/(losses), net		2,066	(2,302)	346	(2,284)
Selling expenses		(1,385)	(1,837)	(3,268)	(3,723)
Administrative expenses		(6,524)	(7,952)	(21,446)	(24,521)
<b>Operating profit/(loss)</b>		<b>1,330</b>	(2,383)	<b>(8,314)</b>	(777)
Finance income		30	78	172	190
Finance costs		(643)	(466)	(1,695)	(1,242)
<b>Profit/(loss) before income tax</b>		<b>717</b>	(2,771)	<b>(9,837)</b>	(1,829)
Income tax credit	4	663	765	1,696	138
<b>Profit/(loss) for the period</b>		<b>1,380</b>	(2,006)	<b>(8,141)</b>	(1,691)
<b>Other comprehensive income</b>					
<i>Item that may be reclassified to profit or loss:</i>					
Currency translation differences		416	(451)	(86)	(383)
<b>Total comprehensive income</b>		<b>1,796</b>	(2,457)	<b>(8,227)</b>	(2,074)

## Condensed Consolidated Statement of Comprehensive Income

For the three months and nine months ended 30 September 2020

	Notes	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
		2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
<b>Profit/(loss) for the period attributable to:</b>					
Equity holders of the Company		1,354	(1,950)	(7,890)	(1,693)
Non-controlling interests		26	(56)	(251)	2
		<b>1,380</b>	<b>(2,006)</b>	<b>(8,141)</b>	<b>(1,691)</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		1,758	(2,390)	(7,983)	(2,064)
Non-controlling interests		38	(67)	(244)	(10)
		<b>1,796</b>	<b>(2,457)</b>	<b>(8,227)</b>	<b>(2,074)</b>
<b>Earnings/(loss) per share</b>					
— Basic and diluted (expressed in HK cents per share)	5	<b>0.23</b>	(0.33)	<b>(1.32)</b>	(0.28)

## Condensed Consolidated Statements of Changes in Equity

For the nine months ended 30 September 2020

	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 2020 (audited)</b>	6,000	41,850	63,332	111,182	1,450	112,632
<b>Comprehensive income:</b>						
Loss for the period	–	(7,890)	–	(7,890)	(251)	(8,141)
<b>Other comprehensive income:</b>						
Currency translation differences	–	(93)	–	(93)	7	(86)
Total comprehensive income for the period	–	(7,983)	–	(7,983)	(244)	(8,227)
<b>At 30 September 2020 (unaudited)</b>	6,000	33,867	63,332	103,199	1,206	104,405
<b>At 1 January 2019 (audited)</b>	6,000	43,303	63,332	112,635	1,448	114,083
<b>Comprehensive income:</b>						
Profit/(loss) for the period	–	(1,693)	–	(1,693)	2	(1,691)
<b>Other comprehensive income:</b>						
Currency translation differences	–	(371)	–	(371)	(12)	(383)
Total comprehensive income for the period	–	(2,064)	–	(2,064)	(10)	(2,074)
<b>At 30 September 2019 (unaudited)</b>	6,000	41,239	63,332	110,571	1,438	112,009

## Notes to the Condensed Consolidated Financial Information

### 1 GENERAL INFORMATION AND BASIS OF PRESENTATION

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 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 is located at 10th Floor, Empress Plaza, 17-19 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong. The Group 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 nine months ended 30 September 2020 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 on 9 November 2020.

### 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation

This condensed consolidated financial information for the nine months ended 30 September 2020 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 2019. It has been prepared under the historical cost basis, except for other asset at fair value through profit or loss which is measured at fair value.

#### Significant accounting policies

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 2019, except for the adoption of new or amended HKFRSs which have become effective for accounting periods beginning on or after 1 January 2020. In addition, the Group has early adopted COVID-19-Related Rent Concessions (Amendment to HKFRS 16) ahead of its effective date and applied the amendment from 1 January 2020. The Directors consider that the application of these new or amended HKFRSs in the current period has no material effect on the amounts reported in this condensed consolidated financial information.

## Notes to the Condensed Consolidated Financial Information

### 3 REVENUE AND SEGMENT INFORMATION

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 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	19,101	36,720	49,683	104,597
— Repair and maintenance services income	292	577	1,333	2,113
	<b>19,393</b>	37,297	<b>51,016</b>	106,710
<b>Revenue from other sources</b>				
— Machinery rental income	—	246	(10)	1,086
	<b>19,393</b>	37,543	<b>51,006</b>	107,796

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 and nine months ended 30 September 2020 and 2019. 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 nine months ended 30 September 2020 (unaudited) is as follows:

	Tunnelling HK\$'000	Foundation HK\$'000	Total HK\$'000
Segment revenue (all from external customers)	48,118	2,888	51,006
Cost of sales	(34,521)	(1,458)	(35,979)
Segment results	13,597	1,430	15,027
Gross profit%	28.26%	49.52%	29.46%
Other income			942
Other gains			85
Exchange gains			346
Selling expenses			(3,268)
Administrative expenses			(21,446)
<b>Operating loss</b>			<b>(8,314)</b>
Finance income			172
Finance costs			(1,695)
<b>Loss before income tax</b>			<b>(9,837)</b>
Income tax credit			1,696
<b>Loss for the period</b>			<b>(8,141)</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 nine months ended 30 September 2019 (unaudited) is as follows:

	Tunnelling HK\$'000	Foundation HK\$'000	Total HK\$'000
Segment revenue (all from external customers)	100,079	7,717	107,796
Cost of sales	(72,992)	(4,908)	(77,900)
Segment results	27,087	2,809	29,896
Gross profit%	27.07%	36.40%	27.73%
Other income			63
Other losses			(208)
Exchange losses			(2,284)
Selling expenses			(3,723)
Administrative expenses			(24,521)
<b>Operating loss</b>			(777)
Finance income			190
Finance costs			(1,242)
<b>Loss before income tax</b>			(1,829)
Income tax credit			138
<b>Loss for the period</b>			(1,691)

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

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Hong Kong	6,704	3,457	13,708	9,187
The PRC	10,757	19,360	23,604	58,999
Singapore and other Asia-Pacific countries	722	3,894	10,792	17,903
Others	1,210	10,832	2,902	21,707
	19,393	37,543	51,006	107,796

## Notes to the Condensed Consolidated Financial Information

## 4 INCOME TAX CREDIT/(EXPENSE)

	Unaudited Three months ended 30 September		Unaudited Nine months ended 30 September	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Current taxation				
— Hong Kong profits tax	89	(139)	89	(139)
— Mainland China corporate income tax	—	314	(23)	(32)
— Singapore corporate income tax	—	—	—	—
— Australia corporate income tax	—	37	—	4
Deferred income tax	574	553	1,630	305
Income tax credit	663	765	1,696	138

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 and nine months ended 30 September 2020 and 2019 except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2018/2019. The first HK\$2,000,000 of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

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 and nine months ended 30 September 2020 and 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 and nine months ended 30 September 2020 and 2019. Australia corporate income tax has been provided for at the rate of 27.5%–30% on the estimated assessable profits for the Group's operations in Australia for the three months and nine months ended 30 September 2020 and 2019.

## Notes to the Condensed Consolidated Financial Information

### 5 EARNINGS/(LOSS) PER SHARE

#### (a) Basic

The basic earnings/(loss) per share is calculated on the profit/(loss) 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 30 September		Unaudited Nine months ended 30 September	
	2020	2019	2020	2019
Profit/(loss) attributable to equity holders of the Company (HK\$'000)	1,354	(1,950)	(7,890)	(1,693)
Weighted average number of ordinary shares in issue (thousands)	600,000	600,000	600,000	600,000
Basic earnings/(loss) per share (expressed in HK cents)	0.23	(0.33)	(1.32)	(0.28)

#### (b) Diluted

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

### 6 DIVIDENDS

The Board does not declare a dividend for the nine months ended 30 September 2020 (2019: nil).

## Management Discussion and Analysis

### BUSINESS REVIEW

#### Background, recent development and outlook

The Group is an integrated engineering solutions provider in connection with (i) the supply of specialised cutting tools and parts for construction equipment with particular focus on disc cutters which are widely used in conjunction with tunnel boring machines and microtunnelling 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.

#### *Hong Kong market*

During the nine months ended 30 September 2020 (the "Period"), the business and economic condition in Hong Kong were persistently affected by the outbreak of Coronavirus Disease 2019 (the "COVID-19"). The business activities in Hong Kong were restricted and running at a low level. At present, as the local epidemic has eased and certain projects have been carried out gradually, the Directors believe that the Hong Kong market is expected to regain its momentum.

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, as well as any potential business opportunity in Hong Kong.

#### *PRC market*

The Group's business in the PRC market was related to the supply of specialised cutting tools and parts mainly for the tunnelling construction sites as well as the tunnelling equipment manufacturers. After a series of precautionary and quarantine control measures had been implemented across the Peoples Republic of China (the "PRC"), the PRC operation resumed gradually since March 2020. However, we observed that certain projects of our customers have been delayed and their purchasing decisions become prudent due to COVID-19 and the accompanied economic uncertainties. We will keep an eye on the situation and make appropriate responses.

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

The Group has utilised Singapore as a regional hub to seek opportunities for expansion into Malaysia and other Southeast Asia countries. Moreover, the Group had completed the set-up of a workshop and maintenance services centre in Melbourne, Australia, which helps expanding our business into other Pacific countries. The COVID-19 spread rapidly in Singapore, Malaysia, Australia and other Asia-Pacific countries during the Period. Although Melbourne began its lockdown in June, the projects in Australia are still in progress and the market condition in this region remains positive. Whereas in Singapore, after the implementation of a series of epidemic prevention measures in the second quarter, our operation in Singapore resumed in the third quarter. However, the economic activity is slow and the demand from our customers is still at a low level. The market prospect in this region is unclear, and the management considers that more time would be needed for the markets to be recovered.

#### *Other countries*

We are also seeking actively for expansion opportunities in the global markets and have established a steady flow of revenue from our newly explored markets e.g. countries in Europe and America. During the Period, the COVID-19 had spread widely across countries in Europe and America and the epidemic is still severe in these regions. The demands for our products from customers in these new markets were limited.

## Management Discussion and Analysis

### FINANCIAL REVIEW

#### Revenue

Our revenue decreased by approximately HK\$56.8 million, or 52.7%, from approximately HK\$107.8 million for the nine months ended 30 September 2019 to approximately HK\$51.0 million for the Period. The decrease was primarily attributable to the decrease in revenue recognized for our tunnelling segment by approximately HK\$52.0 million, or 51.9%, from approximately HK\$100.1 million for the nine months ended 30 September 2019 to approximately HK\$48.1 million for the Period. From the perspective of geographic locations of our customers, revenue derived from customers based in Hong Kong, increased from approximately HK\$9.2 million to approximately HK\$13.7 million, while revenue derived from customers based in the PRC and Singapore and other Asia-Pacific countries decreased by HK\$35.4 million and HK\$7.1 million to approximately HK\$23.6 million and HK\$10.8 million from the corresponding period in 2019, respectively.

#### 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\$41.9 million, or 53.8%, from approximately HK\$77.9 million for the nine months ended 30 September 2019 to approximately HK\$36.0 million for the Period. Such movement was primarily attributable to the decrease in cost of inventory sold associated with the decrease in revenue.

#### Gross profit

Our gross profit decreased by approximately HK\$14.9 million, or 49.8%, from approximately HK\$29.9 million for the nine months ended 30 September 2019 to approximately HK\$15.0 million for the Period. However, our gross profit margin increased slightly from approximately 27.7% for the nine months ended 30 September 2019 to approximately 29.5% for the Period. The increase in gross profit margin was largely due to the difference in the mix of customers and products supplied by us during the respective periods.

#### Other income and other losses

The other income and other losses, primarily consisted of (i) inspection charges, (ii) changes in fair value of other asset at fair value through profit or loss; and (iii) government subsidies. Our net other income was approximately HK\$1.0 million for the Period, while it was a net loss of approximately HK\$0.1 million for the nine months ended 30 September 2019. The increase in other income was primarily attributable to COVID-19 subsidies of approximately HK\$1.1 million released by governments in the jurisdictions in which the Group operates during the Period.

## Management Discussion and Analysis

### Exchange gains/(losses)

The exchange gains for the Period was approximately HK\$0.3 million, while it was an exchange loss for the nine months ended 30 September 2019 of approximately HK\$2.3 million. The losses for the nine months ended 30 September 2019 were mainly due to the depreciation of Renminbi and Australian dollar.

### Selling expenses

Selling expenses mainly include freight charges and sales commission for our staff accounted for under the employee benefit expenses. The selling expenses decreased by approximately HK\$0.4 million or 10.8% from approximately HK\$3.7 million for the nine months ended 30 September 2019 to approximately HK\$3.3 million for the Period. During the Period, the freight charges declined due to the drop in revenue, but were off-set by the increase in on-site supervision fee, as required by some customers, as compared to the same period in 2019.

### 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, provision for impairment loss on trade receivables and other administrative expenses. Due to the travel restriction caused by the COVID-19, there was a reduction in business travelling and entertainment expenses during the Period as compared to the same period in 2019. Administrative expenses decreased by approximately HK\$3.1 million or 12.7% from approximately HK\$24.5 million for the nine months ended 30 September 2019 to approximately HK\$21.4 million for the Period.

### Finance income and finance costs

The net amount of finance costs increased by approximately HK\$0.4 million from approximately HK\$1.1 million for the nine months ended 30 September 2019 to approximately HK\$1.5 million for the Period. Such increase was mainly attributable to an increase in interest on overdue trade payables during the Period.

### Income tax credit

The income tax credit for the Period was approximately HK\$1.7 million, while the income tax credit for the nine months ended 30 September 2019 was approximately HK\$0.1 million. The increase was mainly resulted from changes in deferred tax assets attributable to unused tax losses.

### Loss attributable to equity holders of our Company

We recorded a loss attributable to equity holders of our Company for the Period of approximately HK\$7.9 million, and it was a loss attributable to equity holders of our Company of approximately HK\$1.7 million for the nine months ended 30 September 2019.

## Management Discussion and Analysis

### CHARGES ON ASSETS

As at 30 September 2020, certain machinery and equipment under right-of-issue assets and inventories with carrying value of approximately HK\$6,341,000 (31 December 2019: HK\$6,869,000) were pledged to secure for the finance of certain lease liabilities of approximately HK\$1,830,000 (31 December 2019: HK\$3,042,000). In addition, a life insurance policy of Mr. Ng Lai Ming with an insured sum of US\$1,582,862 has been assigned as security for certain banking facilities.

### CAPITAL COMMITMENT

As at 30 September 2020, the Group had no capital commitment.

### CONTINGENT LIABILITIES

As at 30 September 2020, the Group did not have any significant contingent liabilities.

## 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 has 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 Period 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 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.

## 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

As at 30 September 2020, 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 share capital
Mr. Ng Lai Ming (note 2)	Interest in a controlled corporation (note 1)	364,095,000	60.68%
Mr. Cheung King (note 3)	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:

- 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.
- Mr. Ng Lai Ming is the brother of Mr. Ng Lai Tong and Mr. Ng Lai Po.
- Mr. Cheung King has resigned as an executive Director of the Company with effect from 29 October 2020.

Save as disclosed above, as at 30 September 2020, 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 30 September 2020, 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 the shares of the Company

Shareholder	Capacity/Nature of interest	Number of shares	Percentage of the Company's issued share capital
JAT United (note 1)	Beneficial owner	364,095,000	60.68%
Ms. Law So Lin (note 2)	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 30 September 2020, 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 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.

## 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.

### 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 Period.

### COMPETING INTERESTS

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

### 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

**M&L Holdings Group Limited**

**Ng Lai Ming**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 9 November 2020

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