

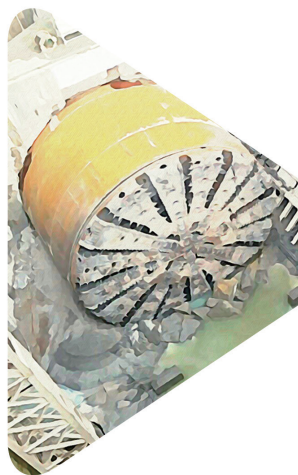
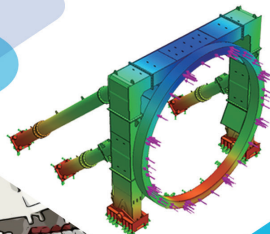
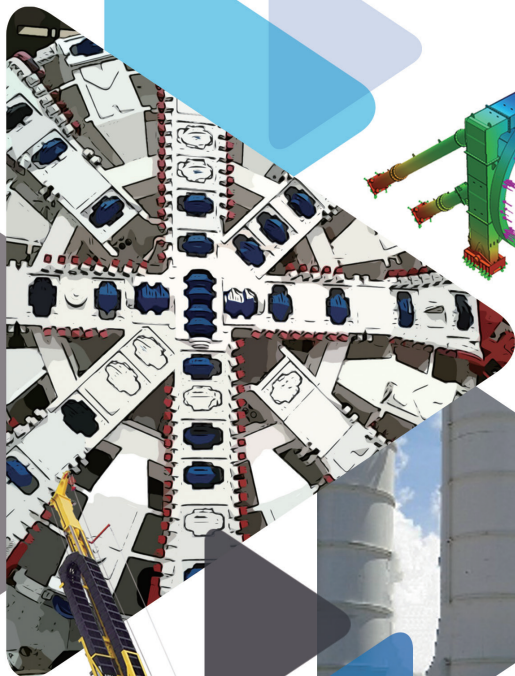


M&L HOLDINGS GROUP LIMITED 明樑控股集團有限公司

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

2018

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 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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 2018, together with the comparative figures for the corresponding period in 2017.

Condensed Consolidated Statement of Comprehensive Income

For the three months ended 31 March 2018

	Note	Unaudited Three months ended 31 March	
		2018 HK\$'000	2017 HK\$'000
Revenue	3	30,878	53,126
Cost of sales		(21,767)	(39,467)
Gross profit		9,111	13,659
Other income		51	422
Other losses, net		–	(233)
Selling expenses		(1,083)	(2,006)
Administrative expenses			
– Legal and professional fee for listing preparation		–	(4,264)
– Others		(5,942)	(6,542)
Operating profit		2,137	1,036
Finance income		49	3
Finance costs		(206)	(197)
Profit before income tax		1,980	842
Income tax expense	4	(851)	(655)
Profit for the period		1,129	187
Other comprehensive income			
<i>Item that may be reclassified to profit or loss:</i>			
– Currency translation differences		491	462
Total comprehensive income		1,620	649
Profit for the period attributable to:			
Equity holders of the Company		1,047	13
Non-controlling interests		82	174
		1,129	187
Total comprehensive income attributable to:			
Equity holders of the Company		1,532	476
Non-controlling interests		88	173
		1,620	649
Earnings per share			
– Basic and diluted (expressed in HK cents per share)	5	0.17	0.003

Condensed Consolidated Statements of Changes in Equity

For the three months ended 31 March 2018

	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
At 1 January 2018 (audited)	6,000	53,706	63,332	123,038	1,540	124,578
Comprehensive income:						
Profit for the period	–	1,047	–	1,047	82	1,129
Other comprehensive income:						
Currency translation differences	–	485	–	485	6	491
Total comprehensive income for the period	–	1,532	–	1,532	88	1,620
At 31 March 2018 (unaudited)	6,000	55,238	63,332	124,570	1,628	126,198
At 1 January 2017 (audited)	–	79,128	9,500	88,628	2,857	91,485
Comprehensive income:						
Profit for the period	–	13	–	13	174	187
Other comprehensive income:						
Currency translation differences	–	463	–	463	(1)	462
Total comprehensive income for the period	–	476	–	476	173	649
Transactions with owners:						
Dividends declared to the then equity holders of the Company	–	(10,000)	–	(10,000)	–	(10,000)
Dividends declared to non-controlling interests	–	–	–	–	(1,120)	(1,120)
At 31 March 2017 (unaudited)	–	69,604	9,500	79,104	1,910	81,014

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 under the Companies Law (as revised) of the Cayman Islands. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited on 21 July 2017 (the "Listing Date").

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 Company is an investment holding company and its subsidiaries are 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\$") unless otherwise stated.

The condensed consolidated financial information of the Group for the three months ended 31 March 2018 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 2018.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This condensed consolidated financial information for the three months ended 31 March 2018 has been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("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 2017.

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 2017, except for the adoption of new or revised HKFRSs which have become effective for accounting periods beginning on or after 1 January 2018.

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	
	2018	2017
	HK\$'000	HK\$'000
Sales of goods	29,885	52,140
Repair and maintenance services income	993	986
Machinery rental income	–	–
	30,878	53,126

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 2018 and 2017. 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 information of 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
Other losses			-
Selling expenses			(1,083)
Administrative expenses			(5,942)
Operating profit			2,137
Finance income			49
Finance costs			(206)
Profit before income tax			1,980
Income tax expense			(851)
Profit for the period			1,129

Notes to the Condensed Consolidated Financial Information

3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

- (b) The information of the reportable segments for the three months ended 31 March 2017 (unaudited) is as follows:

	Tunnelling HK\$'000	Foundation HK\$'000	Total HK\$'000
Segment revenue			
(all from external customers)	47,922	5,204	53,126
Cost of sales	(35,087)	(4,380)	(39,467)
Segment results	12,835	824	13,659
Gross profit %	26.78%	15.83%	25.71%
Other income			422
Other losses			(233)
Selling expenses			(2,006)
Administrative expenses			(10,806)
Operating profit			1,036
Finance income			3
Finance costs			(197)
Profit before income tax			842
Income tax expense			(655)
Profit for the period			187

Notes to the Condensed Consolidated Financial Information

3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

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

	Unaudited	
	Three months ended 31 March	
	2018	2017
	HK\$'000	HK\$'000
Hong Kong	5,604	16,918
The PRC	20,471	26,235
Singapore	3,009	9,948
Other countries	1,794	25
	30,878	53,126

4 INCOME TAX EXPENSE

The Group is not subject to taxation in the Cayman Islands and British Virgin Islands. Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profit for the three months ended 31 March 2018 and 2017. 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 2018 and 2017. 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 2018 and 2017.

	Unaudited	
	Three months ended 31 March	
	2018	2017
	HK\$'000	HK\$'000
Current taxation		
– Hong Kong profits tax	31	671
– Mainland China corporate income tax	588	–
– Singapore corporate income tax	13	16
Deferred income tax	219	(32)
Income tax expense	851	655

Notes to the Condensed Consolidated Financial Information

5 EARNINGS PER SHARE

(a) Basic

The basic earnings per share is calculated on the profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the respective period. The weighted average number of ordinary shares used for such purpose has been retrospectively adjusted for the effects of the issue of shares in connection with the Capitalisation Issue (as defined in the Prospectus) of ordinary shares which took place on 21 July 2017.

	Unaudited	
	Three months ended 31 March	
	2018	2017
Profit attributable to equity holders of the Company (HK\$'000)	1,047	13
Weighted average number of ordinary shares in issue (thousands)	600,000	450,000
Basic earnings per share (expressed in HK cents)	0.17	0.003

(b) Diluted

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

6 DIVIDENDS

Interim dividend of HK\$10,000,000 and HK\$1,120,000 were declared to the then equity holder of the Company and non-controlling interests respectively on 9 March 2017. The portion attributable to the then equity holders of the Company was fully settled before 31 March 2017.

The final dividend in respect of the year ended 31 December 2017 of HK0.8 cents per share, amounting to total dividend of HK\$4,800,000, proposed by the directors of the Company on 22 March 2018 is subject to approval by the shareholders of the Company in the annual general meeting. Such final dividend has not been recognised as a liability as at 31 March 2018.

No interim dividend was declared for the three months ended 31 March 2018.

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

Several TBM tunnelling projects in Hong Kong were finished in 2015, thus the industry has been witnessing a moderate drop in the contract value of TBM tunnelling works, which had in turn adversely affected our revenue from Hong Kong. The outlook of Hong Kong tunnelling market is and will be mainly driven by the "Railway Development Strategy" published by the Transport and Housing Bureau of Hong Kong in 2014, which proposed seven railway schemes up to 2026.

For the foundation segment, we saw that some government projects will be commenced in 2018, and we conservatively believed the market segment will be improved in 2018.

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. In response to the keen competition, we have expanded the headcounts in PRC sales team and successfully secured orders from new customers engaged in the tunnelling construction sector. In the first quarter of 2018, we have received some orders from tunnelling equipment manufacturers. The Group remains confident of the PRC market performance in 2018.

Management Discussion and Analysis

Singapore and other markets

The Group has utilised Singapore as a regional hub to seek opportunities for expansion into other Southeast Asian countries. The Group is targeting certain new infrastructure projects pending to be launched in Singapore and the management is prudently optimistic in the expansion of Southeast Asian market.

FINANCIAL REVIEW

Revenue

Our revenue decreased by approximately HK\$22.2 million, or 41.8%, from approximately HK\$53.1 million for three months ended 31 March 2017 to approximately HK\$30.9 million for the three months ended 31 March 2018. The decrease was primarily attributable to the decrease in revenue recognized for our tunnelling segment by approximately HK\$20.1 million, or 42.0%, from approximately HK\$47.9 million for the three months ended 31 March 2017 to approximately HK\$27.8 million for the three months ended 31 March 2018. From the perspective of geographic locations of our customers, revenue derived from customers based in Hong Kong, the PRC and Singapore decreased from approximately HK\$16.9 million, HK\$26.2 million & HK\$9.9 million to approximately HK\$5.6 million, HK\$20.5 million & HK\$3.0 million from the corresponding prior year, respectively. Nevertheless, we have successfully extended our business to Malaysia by recording a revenue of HK\$1.6 million for the three months ended 31 March 2018, meanwhile it was less than HK\$0.1 million for the three months ended 31 March 2017.

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\$17.7 million, or 44.8%, from approximately HK\$39.5 million for the three months ended 31 March 2017 to approximately HK\$21.8 million for the three months ended 31 March 2018. 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\$4.6 million, or 33.6%, from approximately HK\$13.7 million for the three months ended 31 March 2017 to approximately HK\$9.1 million for the three months ended 31 March 2018. However, our gross profit margin increased from approximately 25.7% for the three months ended 31 March 2017 to approximately 29.5% for the three months ended 31 March 2018. 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 and other losses

The other income and other losses, primarily consisted of (i) inspection charges and (ii) loss from disposal of property, plant and equipment. Our net other income were approximately HK\$0.1 million and HK\$0.2 million for the three months ended 31 March 2018 and 2017 respectively.

Management Discussion and Analysis

Selling expenses

Selling expenses mainly include freight charges and sales commission for our staff accounted for under the employee benefit expenses. Selling expenses decreased from approximately HK\$2.0 million for the three months ended 31 March 2017 to HK\$1.1 million for the three months ended 31 March 2018, which was mainly attributable to the decrease in revenue recorded by our Group.

Administrative expenses

Administrative expenses mainly include staff costs, Directors' remuneration and benefits (both accounted for under the employee benefit expenses), legal and professional fees for listing preparation, operating lease charges on land and buildings, provision for/(reversal of provision for) impairment of trade receivables and other administrative expenses. Legal and professional fee for the listing preparation was approximately HK\$4.3 million for the three months ended 31 March 2017, while it was nil for the corresponding period in 2018. Meanwhile, administrative expenses for natures other than legal and professional fee for the listing preparation was decreased by approximately HK\$0.6 million or 9.2% from approximately HK\$6.5 million for the three months ended 31 March 2017 to approximately HK\$5.9 million for the three months ended 31 March 2018.

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 2018 and 2017.

Income tax expense

Our income tax represents Hong Kong profits tax, the PRC enterprise income tax and Singapore corporate income tax. Our Group was not subject to any income tax in the Cayman Islands. The provision for Hong Kong profits tax was calculated at 16.5% of the relevant estimated assessable profits, our PRC subsidiary was subject to the statutory enterprise income tax rate of 25%. The corporate income tax rate in Singapore is 17% on chargeable income. Our income tax expenses increased by approximately HK\$0.2 million or 28.6% from approximately HK\$0.7 million for the three months ended 31 March 2017 to approximately HK\$0.9 million for the three months ended 31 March 2018. The increase was primarily due to an increase in our Group's assessable profits for three months ended 31 March 2018.

Profit attributable to equity holders of our Company

The profit attributable to equity holders of our Company increased by approximately HK\$1.0 million from approximately HK\$13,000 for the three months ended 31 March 2017 to approximately HK\$1.0 million for the three months ended 31 March 2018. If we do not take into account of the listing expenses, the profit attributable to equity holders of our Company for the three month ended 31 March 2017 would be approximately HK\$4.3 million, representing a decrease of approximately HK\$3.3 million.

Management Discussion and Analysis

CAPITAL COMMITMENT

As at 31 March 2018 and 31 December 2017, the Group had the following capital commitment:

On 21 November 2017, M&L Oceania Management Pty Ltd (the "Purchaser"), an indirect wholly-owned subsidiary of the Company, entered into the Contract of Sale (the "Contract of Sale") with Raunik Warehouse Developments Pty Ltd (the "Vendor"), pursuant to which the Purchaser will acquire from the Vendor a warehouse with office situated at 9 Efficient Drive, Truganina VIC 3029, Australia for a purchase price of AUD2,078,000. An initial deposit of AUD207,800 had been paid by the Purchaser to the Vendor upon signing of the Contract of Sale; and the remaining balance of the purchase price in the amount of AUD1,870,200 payable by the Purchaser to the Vendor will take place within 6 months from the date of the Contract of Sale, i.e. on or before 20 May 2018.

CHARGES ON ASSETS

As at 31 March 2018, certain machinery and equipment and inventories with carrying value of approximately HK\$8,103,000 (as at 31 December 2017: HK\$8,279,000) were pledged to secure for the Group's borrowings.

CONTINGENT LIABILITIES

As at 31 March 2018, 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 2018, 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:

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)

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 (note 2)	Interest in a controlled corporation (note 1)	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.

Directors' interests in an associated corporation of the Company

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

Save as disclosed above, as at 31 March 2018, 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 2018, 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 (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 31 March 2018, 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.

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.

Management Discussion and Analysis

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 the shareholders as a whole.

The Company adopted the code provisions of the Corporate Governance Code (“CG Code”) as set out in Appendix 15 of the GEM Listing Rules effective from the Listing Date and had complied with the CG Code since then 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.

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 2018.

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 2018 and up to and including the date of this report.

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.

Management Discussion and Analysis

AUDIT COMMITTEE

The audit committee was established by the Company pursuant to a resolution of the Board on 19 June 2017 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraph C3 of the CG code. 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 2018

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.