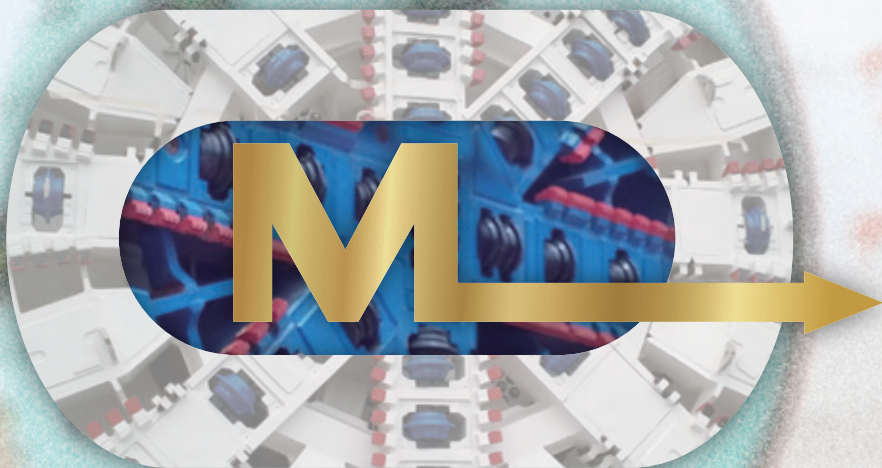




**M&L HOLDINGS GROUP LIMITED**  
**明樑控股集團有限公司**

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



2024

INTERIM 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.



## Interim 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 six months ended 30 June 2024 ("Period"), together with the comparative figures for the corresponding periods in 2023 ("Previous Period").

### Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

	Notes	Unaudited Six months ended 30 June	
		2024 HK\$'000	2023 HK\$'000
<b>Revenue</b>	4	<b>29,950</b>	75,240
Cost of sales		(19,163)	(51,129)
<b>Gross profit</b>		<b>10,787</b>	24,111
Other income		101	87
Selling expenses		(2,920)	(3,959)
Administrative expenses		(13,624)	(13,491)
Other gains and losses			
Exchange loss		(1,905)	(3,183)
Provision for impairment of trade receivables		—	(678)
Others		69	60
<b>Operating (loss)/profit</b>		<b>(7,492)</b>	2,947
Finance income		161	156
Finance costs		(1,216)	(1,388)
<b>(Loss)/profit before income tax</b>		<b>(8,547)</b>	1,715
Income tax credit/(expense)	6	633	(1,155)
<b>(Loss)/profit for the period</b>		<b>(7,914)</b>	560
<b>Other comprehensive income for the period</b>			
<i>Item that may be reclassified to profit or loss:</i>			
Currency translation differences		(128)	(21)
<b>Total comprehensive income for the period</b>		<b>(8,042)</b>	539

## Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024

		Unaudited Six months ended 30 June	
		2024	2023
Notes	2024	2023	2023
		HK\$'000	HK\$'000
<b>(Loss)/profit for the period attributable to:</b>			
		(7,638)	371
		(276)	189
		<b>(7,914)</b>	<b>560</b>
<b>Total comprehensive income for the period attributable to:</b>			
		(7,766)	351
		(276)	188
		<b>(8,042)</b>	<b>539</b>
		<b>HK cents</b>	<b>HK cents</b>
<b>(Loss)/earnings per share</b>			
	7	(1.27)	0.06

## Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8(a)	24,947	25,977
Right-of-use assets	8(b)	8,269	7,799
Deposits		451	172
Other assets at fair value through profit or loss		5,670	5,601
Deferred tax assets		1,961	1,532
		<b>41,298</b>	41,081
<b>Current assets</b>			
Inventories		31,820	33,057
Trade and other receivables	9	61,943	77,801
Tax recoverable		352	360
Cash and cash equivalents		28,993	28,304
		<b>123,108</b>	139,522
<b>Current liabilities</b>			
Trade and other payables	10	26,880	31,127
Contract liabilities		4,520	395
Dividend payable	11	5,880	5,880
Amounts due to directors	12	2,000	3,727
Bank borrowings	13	18,636	24,586
Lease liabilities		1,737	1,350
Income tax liabilities		1,243	1,134
		<b>60,896</b>	68,199
<b>Net current assets</b>		<b>62,212</b>	71,323
<b>Total assets less current liabilities</b>		<b>103,510</b>	112,404

## Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
<b>Non-current liabilities</b>			
Bank borrowings	13	2,651	3,482
Lease liabilities		872	540
Deferred tax liabilities		2,718	3,071
Other provision		615	615
		<b>6,856</b>	7,708
<b>Net assets</b>		<b>96,654</b>	104,696
<b>CAPITAL AND RESERVES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	14	6,000	6,000
Reserves		89,555	97,321
		<b>95,555</b>	103,321
<b>Non-controlling interests</b>		<b>1,099</b>	1,375
<b>Total equity</b>		<b>96,654</b>	104,696

## Condensed Consolidated Statements of Changes in Equity

For the six months ended 30 June 2024

	Attributable to equity holders of the Company						Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Revaluation reserve HK\$'000	Other reserves HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	
	(Note 15)	(Note 15)	(Note 15)				
<b>At 1 January 2024 (unaudited)</b>	<b>6,000</b>	<b>63,332</b>	<b>7,685</b>	<b>26,304</b>	<b>103,321</b>	<b>1,375</b>	<b>104,696</b>
Loss for the period	—	—	—	(7,638)	(7,638)	(276)	(7,914)
Other comprehensive income:							
Currency translation differences	—	—	—	(128)	(128)	—	(128)
Total comprehensive income for the period	—	—	—	(7,766)	(7,766)	(276)	(8,042)
<b>At 30 June 2024 (unaudited)</b>	<b>6,000</b>	<b>63,332</b>	<b>7,685</b>	<b>18,538</b>	<b>95,555</b>	<b>1,099</b>	<b>96,654</b>
<b>At 1 January 2023 (audited)</b>	<b>6,000</b>	<b>63,332</b>	<b>5,577</b>	<b>19,316</b>	<b>94,225</b>	<b>1,003</b>	<b>95,228</b>
Profit for the period	—	—	—	371	371	189	560
Other comprehensive income:							
Currency translation differences	—	—	—	(20)	(20)	(1)	(21)
Total comprehensive income for the period	—	—	—	351	351	188	539
<b>At 30 June 2023 (unaudited)</b>	<b>6,000</b>	<b>63,332</b>	<b>5,577</b>	<b>19,667</b>	<b>94,576</b>	<b>1,191</b>	<b>95,767</b>

## Condensed Consolidated Statements of Cash Flows

For the six months ended 30 June 2024

	Unaudited	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
<b>Cash flows from operating activities</b>		
Net cash generated from operations	11,647	5,033
Interest received	161	156
Interest paid	(1,293)	(1,469)
Income tax paid	—	—
Net cash generated from operating activities	10,515	3,720
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(529)	(200)
Proceeds from disposal of property, plant and equipment	—	5
Net cash used in investing activities	(529)	(195)
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	7,000	11,000
Repayment of bank borrowings	(13,781)	(12,739)
Repayment of principal element of lease liabilities	(1,143)	(923)
Repayment to a director	(1,220)	(300)
Net cash used in financing activities	(9,144)	(2,962)
<b>Net increase in cash and cash equivalents</b>	842	563
Cash and cash equivalents at beginning of the period	28,304	28,237
Currency translation differences	(153)	(145)
<b>Cash and cash equivalents at end of period</b>	28,993	28,655



## Notes to the Condensed Consolidated Interim 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 have been listed on GEM of the Stock Exchange since 21 July 2017 (the "Share Offer").

The address of its registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business is located at 21st 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, an executive director.

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

The condensed consolidated interim financial information of the Group for the six months ended 30 June 2024 has not been audited but has been reviewed by the audit committee of the Company. The unaudited condensed consolidated interim financial information was approved for issue by the Board on 21 August 2024.

### 2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2024 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, 'Interim financial reporting' issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of the GEM Listing Rules. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2023. It has been prepared under the historical cost basis, except for certain properties and other assets at fair value through profit or loss which are measured at fair value.

#### Significant accounting policies

The accounting policies used in the preparation of this condensed consolidated interim financial information are consistent with those described in the annual financial statements for the year ended 31 December 2023, except for the adoption of new or amended Hong Kong Financial Reporting Standards ("HKFRSs") which have become effective for accounting periods beginning on or after 1 January 2024. The Directors consider that the application of these new or amended HKASs and HKFRSs in the current period has no material effect on the amounts reported in this condensed consolidated interim financial information.

## Notes to the Condensed Consolidated Interim Financial Information

### 3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed consolidated interim financial information, the critical accounting estimates and judgements applied were consistent with those described in the annual financial statements for the year ended 31 December 2023.

### 4 REVENUE AND SEGMENT INFORMATION

	Unaudited	
	Six months ended 30 June	
	2024	2023
	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	29,305	71,634
— Repair and maintenance services income	401	3,381
	<b>29,706</b>	75,015
<b>Revenue from other sources</b>		
— Machinery rental income	244	225
	<b>29,950</b>	75,240

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:

Tunnelling — Supply of specialised cutting tools and parts for construction equipment

Foundation — Supply of fabricated construction steel works and equipment

## Notes to the Condensed Consolidated Interim Financial Information

### 4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

The executive Directors assess the performance of the operating segments based on revenue and gross profit margin of each segment. The Group's resources are integrated and there are no discrete information about 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 represents revenue generated from external customers. There were no inter-segment sales during the six months ended 30 June 2024 and 2023. The accounting policies of the reportable segments are the same as the Group's accounting policies.

- (a) The segment information provided to the executive Directors for the reportable segments for the six months ended 30 June 2024 (unaudited) is as follows:

	Tunnelling HK\$'000	Foundation HK\$'000	Total HK\$'000
Segment revenue (all from external customers)	29,556	394	29,950
Cost of sales	(18,948)	(215)	(19,163)
Segment results	10,608	179	10,787
Gross profit %	35.89%	45.43%	36.02%
Other income			101
Selling expenses			(2,920)
Administrative expenses			(13,624)
Other gains and losses			
Exchange loss			(1,905)
Provision for impairment of trade receivables			—
Others			69
<b>Operating loss</b>			<b>(7,492)</b>
Finance income			161
Finance costs			(1,216)
<b>Loss before income tax</b>			<b>(8,547)</b>
Income tax credit			633
<b>Loss for the period</b>			<b>(7,914)</b>

## Notes to the Condensed Consolidated Interim Financial Information

### 4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

- (b) The segment information provided to the executive Directors for the reportable segments for the six months ended 30 June 2023 (unaudited) is as follows:

	Tunnelling HK\$'000	Foundation HK\$'000	Total HK\$'000
Segment revenue			
(all from external customers)	74,561	679	75,240
Cost of sales	(50,779)	(350)	(51,129)
Segment results	23,782	329	24,111
Gross profit %	31.90%	48.45%	32.05%
Other income			87
Selling expenses			(3,959)
Administrative expenses			(13,491)
Other gains and losses			
Exchange loss			(3,183)
Provision for impairment of trade receivables			(678)
Others			60
<b>Operating profit</b>			<b>2,947</b>
Finance income			156
Finance costs			(1,388)
<b>Profit before income tax</b>			<b>1,715</b>
Income tax expense			(1,155)
<b>Profit for the period</b>			<b>560</b>

## Notes to the Condensed Consolidated Interim Financial Information

### 4 REVENUE AND SEGMENT INFORMATION (CONTINUED)

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

	Unaudited	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Asia-Pacific countries	11,306	2,216
United States of America	7,743	6,921
Hong Kong	2,691	50,396
The PRC	2,656	14,896
Others	5,554	811
	<b>29,950</b>	<b>75,240</b>

- (d) The total amounts of non-current assets, other than deposits and deferred tax assets of the Group are located in the following regions:

	Unaudited	Audited
	30 June	31 December
	2024	2023
	HK\$'000	HK\$'000
Hong Kong	10,336	9,793
The PRC	134	183
Singapore	8,317	8,645
Australia	20,099	20,756
	<b>38,886</b>	<b>39,377</b>

## Notes to the Condensed Consolidated Interim Financial Information

## 5 EXPENSES BY NATURE

	Unaudited	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Cost of inventories sold	18,756	50,415
Employee benefit expenses	8,240	7,595
Depreciation*		
Owned property, plant and equipment	1,046	1,043
Right-of-use assets under the following categories:		
— Ownership interests in leasehold land for own use	61	58
— Other properties leased for own use	1,171	905
	2,278	2,006
Short-term lease expenses	90	515
Auditors' remuneration		
— Audit services	335	310
— Non-audit services	30	21

\* Recorded as administrative expenses

## Notes to the Condensed Consolidated Interim Financial Information

## 6 INCOME TAX CREDIT/(EXPENSES)

	Unaudited	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Current taxation for the period		
— Hong Kong Profit tax	(109)	—
Deferred income tax	742	(1,155)
Income tax credit/(expenses)	633	(1,155)

The Group has no income subject to taxation in the Cayman Islands and the British Virgin Islands.

The Company and its Hong Kong incorporated subsidiaries are subject to Hong Kong Profits Tax, which is calculated at tax rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Company which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary are 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 25.0% on the estimated assessable profits for the Group's operations in Mainland China. Singapore corporate income tax has been provided for at the rate of 17.0% on the estimated assessable profit for the Group's operations in Singapore. Australia corporate income tax has been provided for at the rate of 25.0%–30.0% on the estimated assessable profits for the Group's operations in Australia.

## Notes to the Condensed Consolidated Interim Financial Information

### 7 (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	
	Six months ended 30 June	
	2024	2023
(Loss)/profit attributable to equity holders of the Company (HK\$'000)	(7,638)	371
Weighted average number of ordinary shares in issue (thousands)	600,000	600,000
Basic (loss)/earnings per share (expressed in HK cents)	(1.27)	0.06

#### (b) Diluted

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



## Notes to the Condensed Consolidated Interim Financial Information

### 8 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

#### (a) Property, plant and equipment

	Unaudited 2024 HK\$'000	Unaudited 2023 HK\$'000
Opening net book amount as at 1 January	25,977	24,703
Additions	529	200
Disposals	—	—
Depreciation	(1,046)	(1,043)
Exchange difference	(513)	(475)
Closing net book amount as at 30 June	24,947	23,385

All depreciation expenses have been recorded in administrative expenses.

#### (b) Right-of-use assets

	Unaudited 2024 HK\$'000	Unaudited 2023 HK\$'000
Opening net book amount as at 1 January	7,799	8,068
Commencement of lease	—	219
Modification of lease	1,877	—
Depreciation	(1,232)	(963)
Exchange difference	(175)	(56)
Closing net book amount as at 30 June	8,269	7,268

All depreciation expenses have been recorded in administrative expenses.

## Notes to the Condensed Consolidated Interim Financial Information

## 9 TRADE AND OTHER RECEIVABLES

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
Trade receivables	60,680	75,661
Less: loss allowance	(7,751)	(7,917)
Trade receivables — net	52,929	67,744
Bills receivables	3,845	2,569
Prepayments	572	1,337
Deposits paid	3,926	5,135
Other receivables	1,122	1,188
Less: Non-current portion deposits	62,394 (451)	77,973 (172)
	61,943	77,801

## Notes to the Condensed Consolidated Interim Financial Information

### 9 TRADE AND OTHER RECEIVABLES (CONTINUED)

The credit terms granted by the Group generally ranged up to 270 days. The ageing analysis of these trade receivables based on invoice date is as follows:

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
0 to 30 days	7,296	17,089
31 to 60 days	2,527	3,227
61 to 90 days	3,358	1,159
91 to 180 days	2,354	5,205
181 to 365 days	9,939	5,691
1 to 2 years	4,045	3,361
2 to 3 years	3,032	7,609
Over 3 years	28,129	32,320
Trade receivables, gross	60,680	75,661
Less: loss allowance	(7,751)	(7,917)
Trade receivables, net	52,929	67,744

### 10 TRADE AND OTHER PAYABLES

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
Trade payables	22,528	25,922
Accrued expenses and other payables	4,352	5,205
	26,880	31,127

The carrying amounts of trade and other payables approximate their fair values as at 30 June 2024 and 31 December 2023.

## Notes to the Condensed Consolidated Interim Financial Information

### 10 TRADE AND OTHER PAYABLES (CONTINUED)

The ageing analysis of trade payables based on invoice date is as follows:

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
0-30 days	5,275	3,281
31-60 days	1,088	7,202
61-90 days	1,695	1,311
91-120 days	—	429
Over 120 days	14,470	13,699
	<b>22,528</b>	<b>25,922</b>

### 11 DIVIDEND PAYABLE

The amount is payable to a non-controlling shareholder of a subsidiary, Genghiskhan Land Holdings Limited ("Genghiskhan"). Genghiskhan was struck off from the Register of Companies of the BVI on 30 April 1998 and subsequently dissolved on 30 April 2008.

The amount is unsecured, interest-free, repayable on demand and denominated in Hong Kong dollars.

### 12 AMOUNTS DUE TO DIRECTORS

	Unaudited 30 June 2024 HK\$'000	Audited 31 December 2023 HK\$'000
<b>Amounts due to:</b>		
— Mr. Ng Lai Tong	—	507
<b>Advance from:</b>		
— Mr. Ng Lai Ming	2,000	3,220
	<b>2,000</b>	<b>3,727</b>

The amount due to Mr. Ng Lai Tong is unsecured, interest-free and repayable on demand.

The advance from Mr. Ng Lai Ming is unsecured, bears interest at 2.5% per annum on simple basis and payable semi-annually, and is repayable upon 3 months notice.

## Notes to the Condensed Consolidated Interim Financial Information

### 13 BANK BORROWINGS

The carrying amounts of the bank borrowings approximate their fair values as at 30 June 2024 and 31 December 2023, and are denominated in the Hong Kong dollars. The interests are charged on floating rate basis.

The Group has obtained total banking facilities from banks of approximately HK\$34,300,000 as at 30 June 2024 (31 December 2023: HK\$35,100,000), of which HK\$13,000,000 (31 December 2023: HK\$7,000,000) has not been utilised.

The banking facilities are secured by the followings:

- (i) the assignment of the life insurance policy of Mr. Ng Lai Ming with an insured sum of US\$1,582,862 for the bank borrowings;
- (ii) corporate guarantees provided by the Company and its subsidiaries, M&L Engineering & Materials Limited and East Focus Engineering Services Limited; and
- (iii) personal guarantees provided by the executive Directors.

### 14 SHARE CAPITAL

The Company's share capital as at 30 June 2024 and 31 December 2023 was as follows:

Ordinary share of HK\$0.01 each	Number of ordinary shares	Share capital HK\$'000
Authorised	1,000,000,000	10,000
Issued and fully paid	600,000,000	6,000

## Notes to the Condensed Consolidated Interim Financial Information

### 15 SHARE PREMIUM AND OTHER RESERVES

	Share premium HK\$'000	Capital reserve HK\$'000	Revaluation reserves HK\$'000	Translation reserve HK\$'000	Statutory reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000
					Note		
<b>As at 1 January 2024</b>	<b>63,332</b>	<b>15,642</b>	<b>7,685</b>	<b>(131)</b>	<b>1,522</b>	<b>9,271</b>	<b>97,321</b>
Profit for the period	—	—	—	—	—	(7,638)	(7,638)
Currency translation difference	—	—	—	(128)	—	—	(128)
<b>As at 30 June 2024 (unaudited)</b>	<b>63,332</b>	<b>15,642</b>	<b>7,685</b>	<b>(259)</b>	<b>1,522</b>	<b>1,633</b>	<b>89,555</b>
<b>As at 1 January 2023 (audited)</b>	<b>63,332</b>	<b>15,642</b>	<b>5,577</b>	<b>(166)</b>	<b>1,522</b>	<b>2,318</b>	<b>88,225</b>
Profit for the period	—	—	—	—	—	371	371
Currency translation difference	—	—	—	(20)	—	—	(20)
<b>As at 30 June 2023 (unaudited)</b>	<b>63,332</b>	<b>15,642</b>	<b>5,577</b>	<b>(186)</b>	<b>1,522</b>	<b>2,689</b>	<b>88,576</b>

Note:

The PRC laws and regulations require companies registered in the PRC to provide for certain statutory reserves, which are to be appropriated from the net profit (after offsetting accumulated losses from prior years) as reported in their respective statutory financial statements, before profit distributions to equity holders. All statutory reserves are created for specific purposes. PRC companies are required to appropriate 10% of statutory net profits to statutory reserves, upon distribution of their post-tax profits of the current year. A company may discontinue the contribution when the aggregate sum of the statutory reserve is more than 50% of its registered capital. The statutory reserves shall only be used to make up losses of the companies, to expand the companies' production operations, or to increase the capital of the companies. In addition, a company may make further contribution to the statutory reserve using its post-tax profits in accordance with resolutions of the board of directors.

### 16 DIVIDENDS

The Board does not declare an interim dividend for the six months ended 30 June 2024 (2023: nil).

## Notes to the Condensed Consolidated Interim Financial Information

### 17 RELATED PARTY TRANSACTIONS

#### (a) Significant related party transactions

Other than those disclosed elsewhere in the condensed consolidated interim financial information, the following transactions were carried out with related parties in the normal course of the Group's business:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Interest expense paid to a Director	31	46

#### (b) Key management compensation

Key management includes Directors and senior managements. The compensation paid or payable to key management for employee services is shown below:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Salaries, wages and other benefits	1,518	1,464
Contributions to defined contribution retirement plans	58	54
	1,576	1,518

## 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 Period, the progress of key tunnelling projects that we have been serving did not require high level consumption of cutting tools and parts; accordingly orders for tunnelling products placed by our customers declined substantially as compared to the Previous Period. It is hopeful that revenue from the tunnelling business segment will improve in the second half of the year 2024 when progress of key projects pick up. Performance of the foundation business segment remained relatively stagnant during the Period with negligible revenue owing to the uncertain condition of the real estate market. Competition in the foundation business segment remained keen as market players are determined to bid for declining number of new projects. Outlook of the Hong Kong market is expected to be driven by large scale infrastructure projects and we will closely monitor potential business opportunities associated with the "Railway Development Strategy", the "Lantau Tomorrow" and the "Northern Metropolitan" development, while being cautious not to engage in cut-throat price competition.

#### *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. Owing to the uncertain economic conditions, relatively few large scale tunnelling projects were launched in the past year and during the Period. Furthermore, customers have become more price conscious with their procurement whereas the Group refrained from excessive price competition and remained cautious on negotiation of settlement terms due to the prevailing economic uncertainties. All aforesaid factors lead to a declined performance in the PRC market for the Period. In the near term the Group will mainly target projects undertaken by the PRC customers at overseas locations with favourable profit margin and settlement terms, and also focus to recover settlement of overdue receivable balances in order to contain credit and liquidity risks.

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

The Group recorded an improvement in performance in the Singapore and other Asia Pacific countries market during the Period, as we secured a relatively sizeable order for tunnelling products.

Further details of the Group's revenue by business segment and geographic location are set out in note 4 to the condensed financial information.



## Management Discussion and Analysis

### FINANCIAL REVIEW

#### Revenue

The Group's revenue reduced by approximately 60.2% to HK\$30.0 million for the Period, as compared to HK\$75.2 million for the Previous Period, mainly as a result of (i) decrease in revenue from Hong Kong market and the PRC market by HK\$47.7 million and HK\$12.2 million respectively; and partly offset by (ii) increase in revenue from the Asia Pacific market and others market by approximately HK\$9.1 million and HK\$4.7 million respectively.

Further details of the Group's performance by business segment and geographic location are set out in the business review section of this report and note 4 to the condensed financial information.

#### Cost of sales and gross profit

Cost of sales represents costs and expenses directly attributable to our revenue generating activities and predominantly comprised cost of inventories sold. The Group's cost of sales for the Period decreased by approximately 62.5%, which was in-line with the drop in revenue.

Gross profit decreased by approximately 55.3% to HK\$10.8 million for the Period, while gross profit margin for the Period increased to 36.0% for the Period as compared to a margin of 32.0% for the Previous Period as a result of difference in product mix.

#### Other income

The other income primarily consisted of rental income and government subsidies.

#### Exchange loss

The Group recorded a foreign exchange loss of approximately HK\$1.9 million for the Period mainly, as a result of depreciation, albeit milder, of Renminbi and Australian Dollars during the Period.

#### Selling expenses

Selling expenses mainly included freight charges and sales commission for our staff accounted for under the employee benefit expenses. Selling expenses decreased to approximately HK\$2.9 million for the Period from HK\$4.0 million for the Previous Period, mainly due to reduction in freight rates and lower cost shipping options taken by customers during the Period.

## Management Discussion and Analysis

### 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 and other administrative expenses. Administrative expenses remained relatively stable for the Period as compared to the Previous Period.

### Finance income and finance costs

The net amount of finance costs decreased to approximately HK\$1.1 million for the Period as compared to approximately HK\$1.2 million for the Previous Period as the Group has lessened its borrowings. The finance costs are mainly related to the bank borrowings and the lease liabilities.

### Income tax credit/(expense)

The income tax credit for the Period was approximately HK\$0.6 million, while the income tax expense for the Previous Period was approximately HK\$1.2 million.

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

We recorded loss attributable to equity holders of our Company for the six months ended 30 June 2024 of approximately HK\$7.6 million, as compared to profit of approximately HK\$0.4 million for the six months ended 30 June 2023.

### Liquidity, financial resources and capital structure

	<b>Unaudited</b> <b>30 June</b> <b>2024</b> <b>HK\$'000</b>	Audited 31 December 2023 HK\$'000
Current assets	<b>123,108</b>	139,522
Current liabilities	<b>60,896</b>	68,199
Current ratio	<b>2.02</b>	2.05

During the six months ended 30 June 2024, the Group financed its operations by its internal resources and banking facilities. As at 30 June 2024, the Group had net current assets of approximately HK\$62.2 million (31 December 2023: HK\$71.3 million), including cash and cash equivalents of approximately HK\$29.0 million (31 December 2023: HK\$28.3 million). The Group's current ratio as at 30 June 2024 was 2.02 times (31 December 2023: 2.05 times).

## Management Discussion and Analysis

As at 30 June 2024, the Group had a total available banking facilities of approximately HK\$34.3 million, of which approximately HK\$21.3 million was utilised and approximately HK\$13.0 million was unutilised and available for use.

There has been no change in capital structure of the Company during the six months ended 30 June 2024. As at 30 June 2024, the equity attributable to equity holders of the Company amounted to approximately HK\$95.6 million (31 December 2023: approximately HK\$103.3 million).

### Gearing ratio

As at 30 June 2024, we maintained a net cash position. On this basis, we did not record a gearing ratio. (As at 31 December 2023 the net gearing ratio was 4.7%, based on bank borrowings, lease liabilities and the advance from a Director, less cash and cash equivalent totaling HK\$4.9 million as a percentage of equity attributable to equity holders of the Company of HK\$103.3 million.)

## FOREIGN CURRENCY EXPOSURE AND TREASURY POLICY

During the six months ended 30 June 2024, other than Hong Kong dollars, the major currencies of which our Group transacted in consisted primarily of Euro, Renminbi, US dollars and Australian dollars (the "Major Foreign Currencies").

While our Group did not adopt any hedging policies during the period, our Directors consider that we were able to manage our exposure to foreign exchange risks by using the Major Foreign Currencies (i) as the settlement currencies of our contracts with certain customers; and (ii) to settle payments with our suppliers.

As part of our Group's treasury practice, we would manage our foreign currency exposure by converting part of our Major Foreign Currencies holdings to Hong Kong dollars from time to time. Going forward, our Directors will continue to use the Major Foreign Currencies as the settlement currency of our contracts with our customers and suppliers in order to manage our exposure to foreign exchange risks. In addition, our Group will continue to evaluate and monitor our exposure to foreign exchange risks from time to time and may consider adopting hedging policies if necessary.

## CAPITAL COMMITMENT

As at 30 June 2024, the Group had no capital commitment.

## Management Discussion and Analysis

### MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2024.

### SIGNIFICANT INVESTMENTS HELD

The Group had not held any significant investments during the six months ended 30 June 2024.

### CHARGES ON ASSETS

As at 30 June 2024, a life insurance policy to Mr. Ng Lai Ming with an insured sum of US\$1,582,862 has been assigned as security for certain banking facilities.

### CONTINGENT LIABILITIES

As at 30 June 2024, the Group did not have any significant contingent liabilities.

### INTERIM DIVIDEND

The Board does not declare the payment of an interim dividend for the six months ended 30 June 2024.

### EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2024, the Group had 46 staff (31 December 2023: 43). The total staff costs of the Group (including Directors' emoluments, salaries to staff, sales commission, provident fund contributions and other staff benefits) for the six months ended 30 June 2024 was approximately HK\$8.2 million (for the six months ended 30 June 2023: HK\$7.6 million). The Group determines the salaries of its employees mainly based on each employee's qualifications, relevant experience, position and seniority. The Group monitors the performance of individual employee on a continuous basis and rewards outstanding performance of the employees by salary revision, bonus and promotion where suitable. The Group maintains a good relationship with its employees and has not experienced any significant problems with its employees due to labour disputes nor any difficulty in the recruitment and retention of experienced staff.

## 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 CORPORATIONS

As at 30 June 2024, 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 (note 2)	Interest in a controlled corporation (note 1)	364,095,000	60.68%
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.

## Management Discussion and Analysis

### 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 30 June 2024, 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.

### 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 June 2024, 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 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:

- 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.
- Ms. Law So Lin is the spouse of Mr. Ng Lai Ming, therefore she is deemed to be interested in all the shares which Mr. Ng Lai Ming is interested in.

## Management Discussion and Analysis

Saved as disclosed above, as at 30 June 2024, 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.

### 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 six months ended 30 June 2024.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors (the “Model Code”) on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Upon specific enquiries being made with all Directors, all Directors confirmed that they have complied with the required standards set out in Model Code during the six months ended 30 June 2024 and up to the date of this report.

### 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 C1 of the GEM Listing Rules and had complied with the CG Code during the six months ended 30 June 2024 and up to the date of this report, except for the deviation stipulated below.

## Management Discussion and Analysis

As required by code provision C.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.

### 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 six months ended 30 June 2024 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, Mr. Lau Chi Leung and Ms. Luk Pui Yin Grace, 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, 21 August 2024

*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, Mr. Lau Chi Leung and Ms. Luk Pui Yin Grace.*