

# TARGET

## Intelligence Report

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T U E S D A Y

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### **M AND L HOLDINGS GROUP LTD: FIVE YEARS OF NOTHINGNESS !**

Since M and L Holdings Group Ltd (明樑控股集團有限公司) (Code: 8152, The Growth Enterprise Market (the GEM), The Stock Exchange of Hongkong Ltd) obtained express permission to have its shares, listed on the secondary equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), the Company has yet to record anywhere near to a profit for a single Financial Year.

In short, Management has managed to log in more than five years of nothing ... but losses!

The Company sought and obtained permission to have its shares, listed on the GEM on July 21, 2017, but since that day, matters determined that shareholders were forced to acknowledge five Financial Years of successive deteriorations in Revenues, accompanied by successive Net Losses Attributable to Shareholders.

On Wednesday, March 30, 2022, M and L Holdings Group Ltd produced its 2021 Annual Report in respect of the Financial Year, ended December 31, 2021.

The following statistics have been copied, verbatim, from Page 116 of the 2021 Annual Report of the Company:

	For The Financial Year, Ended December 31				
	2021	2020	2019	2018	2017
	All Figures Are Denominated In Hongkong (HK) Dollars'000				
Revenue	<b>85,991</b>	70,944	141,190	113,933	161,626
Gross Profit	<b>21,075</b>	21,531	40,231	33,265	45,092
Loss Before Income Tax	<b>(9,230)</b>	(6,452)	(2,125)	(5,178)	(6,691)
Income Tax (Expense)/Credit	<b>(31)</b>	935	801	152	(1,805)
Loss For The Year	<b>(9,261)</b>	(5,517)	(1,324)	(5,026)	(8,496)
Loss For The Year Attributable To Equity Holders Of The Company	<b>(9,059)</b>	(5,379)	(1,334)	(4,951)	(8,645)
Total Assets	<b>198,779</b>	205,117	212,743	190,196	194,350

Total Liabilities	<b>95,361</b>	97,367	100,111	76,113	69,772
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### **The Business Of M And L Holdings Group Ltd**

At Page Four of the 2021 Annual Report of M and L Holdings Group Ltd, under the subheading, '**BUSINESS REVIEW**', one was informed of the following:

#### ***'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 ("**TBM**") 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.'*

At Page Five of the 2021 Annual Report, under the heading, '**FINANCIAL REVIEW**', the following intelligence was presented, under the subheading, '**Revenue**':

*'Revenue increase by approximately HK\$15.0 million or 21.2% to HK\$86.0 million for the year ended 31 December 2021 ("**Year**" or "**FY21**")', as compared to approximately HK\$70.9 million for the year ended 31 December 2020 ("**Previous Year**"). The increase in revenue was mainly due to the combined effect of (i) revenue derived from Hong Kong increased by HK\$39.7 million or approximately 213.0%, as there was improvement in both the tunneling business segment (chiefly from drill and blast projects) and foundation segment during the Year; and (ii) a drop in revenue from the PRC and the Singapore and other Asia-Pacific markets by approximately HK\$21.3 million and HK\$7.8 million (or 61.3% and 54.9%) respectively, as demand in such area was yet to recover from the impact of the COVID-19 outbreak and also tender and negotiation for new contracts was restricted by travel blockade... '.*

#### ***'Gross profit***

*'Despite a gradual recovery in business activities during the Year, competition in the market remained keen and customers were highly price-conscious. As a result, the Group's gross profit margin for both the tunnelling and foundation segments experienced a decline for the Year, which led to an overall drop in gross profit margin to 24.5% for the Year from 30.4% for the Previous Year. Fortunately, having achieved a revenue growth for the Year, the Group's gross profit remained relatively stable at approximately HK\$21.1 million for the Year, as compared to HK\$21.5 million for the Previous Year.'*

At Page Seven of the 2021 Annual Report, one was informed that the Net Gearing Ratio stood at 16.10 percent, as at December 31, 2021 (December 31, 2020: 12.10 percent).

At Page 10 of the 2021 Annual Report, one was told that, as at December 31, 2021, a total of 44 employees were recorded on the Company's payroll (2020: 48 employees).

**Senior Executives Of M And L Holdings Group Ltd**

M and L Holdings Group Ltd ... [CLICK TO ORDER FULL ARTICLE](#)

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