

**M2L HOLDINGS LIMITED
AND ITS SUBSIDIARIES**
(ARBN 154095897)

(Incorporated in the Republic of Singapore)

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2013

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 September 2012 and any public announcements made by M2L Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Australian Securities Exchange ("ASX") Listing Rules.

M2L HOLDINGS LIMITED

DIRECTORS' REPORT INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2013

The Directors are pleased to present their report and the interim financial statements of M2L Holdings Limited (the "Company") and its controlled entities (together the "Group") for the six months ended 31 March 2013.

1. DIRECTORS

The Directors of the Company in office at the date of this report are:

<u>Name</u>	<u>Particulars</u>
LAM PECK HENG	Independent Non-executive Director, Chairman
CHONG HOCK TAT ROBIN	Executive Director
THAM KHAI WOR	Non-executive Director

2. REVIEW OF OPERATIONS

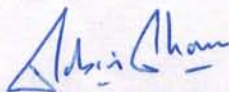
The principal activity of the Company and its controlled entities (the "Group") is to carry on the business in education industry.

The Company has not actively carries on business and no revenue has been earned to date since it was registered on 30 August 2011.

The Company and its controlled entities for the six months ended 31 March 2013 produced a loss after tax of \$109,461 which mainly include administrative expense incurred from the Company.

The Group is undergoing restructuring to bring in more business segment.

On behalf of the Directors,



CHONG HOCK TAT ROBIN



LAM PECK HENG

Singapore,
1 July 2013

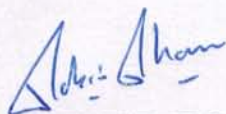
M2L HOLDINGS LIMITED

STATEMENT BY DIRECTORS

In the opinion of the Directors:

- (a) the accompanying consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Group as at 31 March 2013 and of the results of the business, changes in equity and cash flows of the Group for the six month period ended on that date; and
- (b) at the date of this statement there are reasonable grounds to believe that with the financial support of the shareholders of the Company, the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors,



CHONG HOCK TAT ROBIN



LAM PECK HENG

Singapore,
1 July 2013

REVIEW REPORT
TO THE MEMBERS OF M2L HOLDINGS LIMITED

Introduction


We have reviewed the accompanying consolidated statement of financial position of M2L Holdings Limited. ("the Company") and its subsidiaries ("the Group") as at 31 March 2013, and the related statements of consolidated comprehensive income, consolidated changes in equity and consolidated cash flows for the six months period then ended, and selected explanatory notes. Management is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with the provisions of the International Financial Reporting Standards. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of the Group as at 31 March 2013, and of the Group's financial performance for the six months then ended and its cash flows for the six months then ended in accordance with the International Financial Reporting Standards.



SJ Chung & Co
Public Accountants and Certified Public Accountants
Singapore, 1 July 2013

M2L HOLDINGS LIMITED**INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2013**
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 March 2013 \$
ASSETS		
Current Asset		
Cash and cash at bank		307
Non-current Assets		
Goodwill	4	133,785
Other receivables	5	602,387
		736,172
Total Assets		736,479
EQUITY AND LIABILITIES		
Liabilities		
Current Liability		
Other payables	6	205,764
Capital and Reserves		
Share capital	7	3,101,594
Treasury shares	8	(2,266,599)
Accumulated loss		(304,280)
		530,715
Total Equity and Liabilities		736,479

M2L HOLDINGS LIMITED

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	6 months to 31 March 2013 \$
Revenue		-
Gross profit		-
Cost and expenses		
Administrative expenses		78,092
Other operating expenses		31,369
		109,461
Loss before taxation		(109,461)
Taxation		-
Loss after taxation		(109,461)
Other comprehensive income		-
Total comprehensive loss for the period		(109,461)
(Loss) per share		
-Basic	9	(0.0023)
-Diluted	9	(0.0023)

M2L HOLDINGS LIMITED

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2013

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital \$	Treasury shares \$	Accumulated loss \$	Total equity \$
Balance as at 1 October 2012	7	2,541,226	-	(194,819)	2,346,407
Issue of shares	7	560,368	-	-	560,368
Issued shares cancelled held by the Company as treasury shares	8	-	(2,266,599)	-	(2,266,599)
Total comprehensive loss for the period from 1 October 2012 to 31 March 2013		-	-	(109,461)	(109,461)
Balance as at 31 March 2013	7	3,101,594	(2,266,599)	(304,280)	530,715

M2L HOLDINGS LIMITED

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2013
CONSOLIDATED STATEMENT OF CASH FLOW

	Note	6 months to 31 March 2013 \$
Operating activities		
Loss before taxation		(109,461)
Adjustments for:-		
Amortisation of prepayment		25,500
Operating profit before working capital changes		(83,961)
<u>Changes in working capital</u>		
Increase in other payables		84,160
Cash flows from operations		199
Tax paid		-
Net cash flows from operating activities		199
 Cash flows from investing activity		
Net cash inflow from acquisition of subsidiary	4	3
Net cash flows from investing activity		3
 Net increase in cash at bank balance		202
Cash in hand at beginning of financial period		105
Cash in hand at end of financial period		307

M2L HOLDINGS LIMITED

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2013

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

M2L Holdings Limited was incorporated under the laws of Singapore as a public company limited by shares on 30 August 2011.

The registered office of the company in Singapore is located at 21 Bukit Batok Crescent, #15-74 WCEGA Tower, Singapore 658065.

The principal activities of the company are to carry on business as a content developer and provider of Mandarin Chinese Language learning programmes for adult non-native speakers. The Company also carry on business as organiser of short-term executive training programmes, in partnership with the School of Continuing Education of a premier state funded university in China.

The Company has not actively carried on business since it was registered on 30 August 2011 to the date of this report.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim consolidated financial statements are for the six months ended 31 March 2013 and are presented in Singapore Dollars, which is the functional currency of the parent company. They have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the financial statements of the Company for the year ended 30 September 2012.

2.2 Changes in accounting policies

The Company has adopted all the new and revised standards and interpretations of FRS (INT FRS) that are effective for financial periods beginning on or after 30 September 2012. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company and the Group.

M2L HOLDINGS LIMITED

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2013 NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2 SUMMARY SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2.3 Standards issued but not yet effective

The IASB has issued a number of new and revised IAS and IFRS which were relevant to the Company and the Group. The Company and the Group have not early adopted the following IAS and IFRS that have been issued but are not yet effective.

Reference	Description	Effective for annual periods beginning on or after
Amendments to IAS 19	Employee benefits	1 January 2013
Amendments to IFRS 1	First time adoption on government loans	1 January 2013
Amendment to IFRS 7	Financial instruments: Disclosures on asset and liability offsetting	1 January 2013
Amendment to IFRSs 10, 11 and 12	Transition guidance	1 January 2013
IFRS 10	Consolidated financial statements	1 January 2013
FRS 12	Disclosure of interests in other entities	1 January 2013
FRS 13	Fair value measurements	1 January 2013
IAS 27 (revised 2011)	Separate financial statements	1 January 2013
IAS 28 (revised 2011)	Associates and joint ventures	1 January 2013
IFRIC 20	Stripping costs in the production phase of a surface mine	1 January 2013
Amendments to IAS 32	Financial instruments: Presentation on asset and liability offsetting	1 January 2014
IFRS 9	Financial instruments	1 January 2015
FRS 11	Joint arrangements	1 January 2013

There are no other IFRSs, IAS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company and the Group.

3 SEGMENT INFORMATION

The Group operates predominantly in one business segment and one geographical segment being the education industry in the PRC.

No revenue from this activity has been earned to date as the principal business of the Group is in the restructure stage.

M2L HOLDINGS LIMITED

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2013

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4 GOODWILL

	At acquisition date
	\$
Consideration ¹	133,788
Net assets at fair value in Jade Palm Group at acquisition date	(3)
Goodwill	<u>133,785</u>

The goodwill comprises the value of contracted acquisition of intended subsidiary in China.

1. The Company acquired all of the issued capital of Jade Palm Group Limited with acquisition cost of A\$102,000 (approximately S\$133,788) by the issue of 2,340,000 shares in the share capital of M2L Holdings Limited on 3 October 12. Jade Palm Group Limited became a wholly-owned subsidiary of M2L Holdings Limited.

Net cash flows from the acquisition of the Jade Palm Group Limited:

	\$
The total consideration of investment in Jade Palm Group Limited	133,788
Consideration satisfied by issues of share	(133,788)
The cash and cash at bank from acquisition of Jade Palm Group Limited	<u>3</u>
	<u>3</u>

M2L HOLDINGS LIMITED

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2013 NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

5 OTHER RECEIVABLES

	As at 31 March 2013 \$
Deposit for acquisition of a proposed subsidiary (note7)	426,580
Prepayment of rental	175,807
	<u>602,387</u>

1. Prepayment of rental

	As at 31 March 2013 \$
As at 1 October 12	201,307
Amortisation for the period	(25,500)
As at 31 March 13	<u>175,807</u>

On 12 September 2011, the Company entered into a Lease Agreement with Mr CHONG Hock Tat Robin and Madam CHUA Soon Beng Ellen (the Landlord), the material terms of which are as follows:

- (a) the Landlord leased the Leased Premises to the Company for a 5 year term commencing on 12 September 2011 and ending on 11 September 2016 for a lump sum of S\$254,999 (approximately A\$196,200) payable by the issue of 24,999,999 Shares to persons nominated by the Landlord; and
- (b) the Lease Agreement may be terminated with compensation payable to the Company only in the event the Leased Premises are subject to a collective sale. The Lease Agreement is governed by the laws of Singapore.

The full cost of acquiring the lease is amortised over five years lease period.

6 OTHER PAYABLES

	As at 31 March 2013 \$
Amount owing to related party	193,764
Accruals	12,000
	<u>205,764</u>

The amount owing to related party is non-trade in nature, unsecured, interest-free and repayable as and when the Company has resources to do so. Amount is denominated in Singapore dollars.

M2L HOLDINGS LIMITED

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2013 NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

7 SHARE ISSUE

According to the agreement dated on 3 October 12, the Company issued 4,420,000 shares at aggregate sum of A\$442,000 for the following purpose:

- * The Company acquired all of the issued capital of Jade Palm Group Limited with acquisition cost of A\$102,000 (approximately S\$133,788) by the issue of 2,340,000 shares in the share capital of M2L Holdings Limited on 3 October 12. Jade Palm Group Limited became a wholly-owned subsidiary of M2L Holdings Limited.
- * M2L Holdings Limited issued 2,080,000 for consideration of RMB2.2m (approximately S\$426,580) for the acquisition of a proposed sub-subsidiary through its wholly owned subsidiary Jade Palm Group. At the date of this report, a contractual agreement for the proposed acquisition had been reached and signed by the parties.

	As at 31 March 2013	
	No. of shares	Amount (\$)
Issued and fully paid up:		
As at 1 October 2012	57,000,000	2,541,226
Issued for acquisition of Jade Palm Group Limited	2,340,000	133,788
Payment for contracted acquisition of intended subsidiary	2,080,000	426,580
As at 31 March 2013	61,420,000	3,101,594

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

8 TREASURY SHARES

	As at 31 March 2013	
	No. of shares	Amount (\$)
As at 1 October 2012	-	-
Cancelled shares issued for acquisition of Beijing Century Education Development Centre	8,800,000	1,161,076
Cancelled shares issued for acquisition of Xiamen Century Blue Ocean Tuition Centre	8,000,000	1,055,524
Cancelled shares issued for acquisition of copyrights	4,999,999	49,999
As at 31 March 2013	21,799,999	2,266,599

According to the resolution of Extra Ordinary General Meeting held on 5 December 2012, the Company acted pursuant to Section 71 of the Company Act (Cap.50) the Cancellation of 16,800,000 shares issued for acquisition of Xiamen Century Blue Ocean Tuition Centre and Beijing Century Educational Development Centre and 4,999,999 shares issued for acquisition of copyrights. The aforesaid forfeited shares were held by the Company as treasury shares.

M2L HOLDINGS LIMITED

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2013

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

9 (LOSS) /EARNINGS PER SHARE

The (loss)/earnings per share is calculated based on the (losses) of the Company divided by the weighted average number of shares on issue of 46,886,667 shares during the interim period from 1 October 2012 to 31 March 2013.

There is no dilution of earnings per share as the Company did not issue nor have outstanding at the end of the interim period, any financial instruments which have the effect of diluting the earnings per share.

The following table reflects the loss and share data used in the computation of basic and diluted (loss)/earnings per share from continuing operations for the interim period ended 31 March 2013:

	6 months to 31 March 2013 \$
Weighted average number of ordinary shares for the purposes of calculating basic (Loss) per share	46,886,667
Effect of dilutive potential ordinary shares:	
Share options	-
Weighted average number of ordinary shares for the purposes of calculating basic and diluted (loss)/earnings per share	<u>46,886,667</u>

(Loss)/earnings figures are calculated as follows:

	6 months to 31 March 2013 \$
(Loss) for the purpose of calculating basic and diluted (loss)/earnings per share	<u>(109,461)</u>

10 DIVIDENDS

During the interim period, no dividend was proposed declared or paid.

11 RELATED PARTY TRANSACTIONS

Related parties are entities with common direct or indirect shareholders and directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Details of transactions between the Company and related parties other than those disclosed elsewhere in the notes to the financial statements are as follows:

	6 months to 31 March 2013 \$
<u>With Company's director</u>	
Rental of office	<u>25,500</u>

M2L HOLDINGS LIMITED

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2013

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

12 SUBSIDIARIES

Subsidiaries of M2L Holdings Limited listed in the following table.

Name	Country of incorporation	Principal activities	Percentage of equity held	
			As at 31 March 2013	As at 30 September 2012
<u>Held by the Company</u>				
M2L Blue Ocean Holdings Pte Ltd ("M2LBO")	Singapore	Investment holding	100%	100%
Jade Palm Group Limited ¹	BVI	Investment holding	100%	-
<u>Held by M2LBO</u>				
Xiamen Century Blue Ocean Tuition Centre ("XIAMEN CENTURE") ²	China	Provide supplementary academic tuition	-	51%
Beijing Century Educational Development Centre("BEIJING CENTURY") ²	China	Provide examination to get work skills certification.	-	51%

1. The Company acquired all of the issued capital of Jade Palm Group Limited with acquisition cost of A\$102,000 (approximately S\$133,788) by the issue of 2,340,000 shares in the share capital of M2L Holdings Limited on 3 October 12. Jade Palm Group Limited became a wholly-owned subsidiary of M2L Holdings Limited. Jade Palm Group Limited did not produce profit or loss for the period ending 31 March 2013.
2. According to the resolution of Extra Ordinary General Meeting held on 5 December 2012, the Company acted pursuant to Section 71 of the Company Act (Cap.50) the forfeiture of 16,800,000 shares issued for acquisition of Xiamen Century Blue Ocean Tuition Centre and Beijing Century Educational Development Centre. Consequently these two companies cease to become related companies of the Company. There is no gain or loss and cash flow arises on this transaction.

M2L HOLDINGS LIMITED

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 31 MARCH 2013

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

13 NTA BACKING

**Half-year
ended 31
March 2013**

Net tangible asset backing per ordinary shares

1.29 cents

14 CONTINGENT LIABILITIES

There were no contingent liabilities at the date of this report to affect the interim financial statements.

15 SUBSEQUENT EVENTS

No matter or circumstance has arisen since 1 April 2013 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

16 COMPARATIVE INFORMATION

No comparative figures have been presented for the Group as this is the first set of consolidated financial statements prepared for the Group since its incorporation.

17 AUTHORISATION OF FINANCIAL STATEMENTS

The interim financial statements for the financial period ended 31 March 2013 were authorised for issue in accordance with a resolution of the directors on the date of this report.

CHONGQING HUAXIU VOCATIONAL CENTRE

Statement of comprehensive income
For the period from 1 Oct 12 to 31 Mar 13

	From 01.10.2012 to 31.03.2013 CNY	From 01.10.2012 to 31.03.2013 SGD @average rate 0.1955
Revenue		
- Government grant	1,110,000	217,005
Less : Operating expenses		
Communication	5,150.00	1,007
Depreciation	14,133.00	2,763
Miscellaneous	762.00	149
Student welfare	352,800.00	68,972
Recruitment expenses	126,000.00	24,633
Rental	22,500.00	4,399
Salaries	418,944.00	81,904
Supplies & materials	49,857.00	9,747
Transportation	133,875.00	26,173
	1,124,021.00	219,746
(Loss) before taxation	(14,021.00)	(2,741)
Taxation	-	-
(Loss) after taxation	(14,021.00)	(2,741)
Other comprehensive income/(expense) for the financial period, net of tax		
- foreign currency translation	-	(27)
	(14,021.00)	(2,768)

Approved by:

Chong Hock Tat Robin
Date:

刘保华 (Liu Bao hua)
日期 (Date) :

2013.8.7

CHONGQING HUAXIU VOCATIONAL CENTRE

Statement of financial position as at 31 March 2013

	As at 31.03.2013 CNY	As at 31.03.2013 SGD @0.1974
ASSETS		
Current Asset		
Cash and bank balances	109,007	21,518
Non-current Assets		
Plant and equipment	95,600	18,871
Total Assets	204,607	40,389
EQUITY AND LIABILITIES		
Liabilities		
Current Liability		
Other payables	79,406	15,675
Capital and Reserves		
Share capital	100,000	19,740
Translation reserve	-	(27)
Retained Earnings	25,200	5,001
Total Equity and Liabilities	125,200	24,714
	204,607	40,389

Approved by:

Chong Hock Tat Robin
Date:

刘保华
刘保华 (Liu Bao hua)
日期 (Date) : 2013.8.7