

ML HOLDINGS LIMITED
(Previously known as M2L HOLDINGS LIMITED)

(Incorporated in the Republic of Singapore)
ACRA No. 2011-20428-N

INTERIM FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

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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 2014 and any public announcements made by ML Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the National Stock Exchange of Australia ("NSX") Listing Rules.

ML HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2014**

The Directors are pleased to present their report and the interim financial statements of M2L Holdings Limited (the "Company" for the six months ended 30 September 2014.

During the financial period, the Company's name was changed to ML Holdings Limited.

1. DIRECTORS

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

CHUA SOON BENG ELLEN
CHONG HOCK TAT ROBIN

REVIEW OF OPERATIONS

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

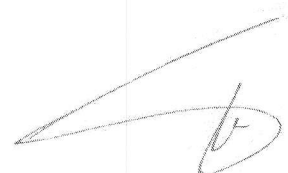
The Company has not actively carried on business and no revenue has been earned to date since it was registered on 30 August 2011.

The Company and its controlled entities for the six months ended 30 September 2014 produced a loss after tax of \$55,656 which mainly include administrative expense incurred from the Company.

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



CHONG HOCK TAT ROBIN



CHUA SOON BENG ELLEN

Singapore, 30 November 2014

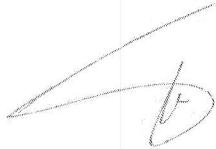
ML HOLDINGS LIMITED

STATEMENT BY DIRECTORS

In the opinion of the Directors, the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, together with notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2014 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 as at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.



CHONG HOCK TAT ROBIN



CHUA SOON BENG ELLEN

Singapore, 30 November 2014

MGI SINGAPORE PAC
CHARTERED ACCOUNTANTS, SINGAPORE
(Company Regn. No. 200606965Z)

REVIEW REPORT
TO THE MEMBERS OF ML HOLDINGS LIMITED

Introduction

We have reviewed the accompanying statement of financial position of ML Holdings Limited ("the Company") as at 30 September 2014, and the related statements of comprehensive income, changes in equity and 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, we draw your attention to Note 6 to the financial statements which disclosed that the Company did not prepare one set of consolidated financial statements incorporating the financial statements of its wholly-owned subsidiary on the basis that the relevant subsidiary has not commenced operations since its incorporation, is dormant, has only a \$2 paid-up capital with no other assets and liabilities, and that the subsidiary will be applying to the Accounting and Corporate Regulatory Authority to strike it off pursuant to Section 344 of the Singapore Companies Act. This is not in accordance with Singapore Financial Reporting Standards No.27 "*Consolidated and Separate Financial Statements*". Having considered the circumstances and materiality of this matter, our conclusion, no other matters has come to our attention that causes us to believe that the accompanying interim financial information does not present fairly, in all material respects, the financial position of the Company as at 30 September 2014, and of the Company'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.


MGI SINGAPORE PAC

MGI SINGAPORE PAC
Chartered Accountants and
Public Accountant of Singapore

30 November 2014

ML HOLDINGS LIMITED

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2014 (six months ended)

	Note	30.9.2014 \$	31.3.2014 \$
ASSETS			
Non-current Assets			
Investment in subsidiary	6	2	2
Other receivables	7	-	-
Intangible asset	8	-	-
		<u>-</u>	<u>-</u>
Total Assets		<u>2</u>	<u>2</u>
EQUITY AND LIABILITIES			
Liabilities			
Current Liability			
Other payables	9	96,604	40,948
Capital and Reserves			
Share capital	10	3,101,594	3,101,594
Treasury Shares	11	(2,266,599)	(2,266,599)
Accumulated losses		<u>(931,597)</u>	<u>(875,941)</u>
		<u>(96,602)</u>	<u>(40,946)</u>
Total Equity and Liabilities		<u>2</u>	<u>2</u>

The accounting policies and explanatory notes form an integral part of the financial statements.

ML HOLDINGS LIMITED

INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the financial period for six months ended from 1 April 2014 to 30 September 2014

	Note	Period from 1.4.2014 to 30.9.2014	Period from 1.10.2012 to 31.3.2014
		\$	\$
Revenue		-	-
Other Income-waiver of debts		-	27,590
Cost and expenses			
Loss on disposal of subsidiary		-	550,365
Other operating expenses		55,656	158,347
		<u>55,656</u>	<u>708,712</u>
Loss before taxation		(55,656)	(681,122)
Taxation	12	<u>-</u>	<u>-</u>
Loss after taxation		(55,656)	(681,122)
Other comprehensive income		-	-
Total comprehensive loss for the period		<u>(55,656)</u>	<u>(681,122)</u>

The accounting policies and explanatory notes form an integral part of the financial statements.

ML HOLDINGS LIMITED

INTERIM STATEMENT OF CHANGES IN EQUITY

For the financial period for six months ended from 1 April 2014 to 30 September 2014

	Note	Share capital \$	Accumulated losses \$	Total equity \$
31.3.2014				
Balance as at 01.10.2012		2,541,226	(194,819)	2,346,407
Issue of shares	10	560,386	-	560,386
Total comprehensive loss for the period		-	(681,122)	(681,122)
Balance as at 31.03.2014		<u>3,101,594</u>	<u>(875,941)</u>	<u>2,171,671</u>

	Share capital \$	Accumulated losses \$	Total equity \$
30.9.2014			
Balance as at 01.4.2014	3,101,594	(875,941)	2,171,671
Total comprehensive loss for the period	-	(55,656)	(55,656)
Balance as at 30.09.2014	<u>3,101,594</u>	<u>(931,597)</u>	<u>2,116,015</u>

The accounting policies and explanatory notes form an integral part of the financial statements.

ML HOLDINGS LIMITED

INTERIM STATEMENT OF CASH FLOW

For the financial period for six months ended from 1 April 2014 to 30 September 2014

	Note	30.9.2014 \$	31.3.2014 \$
Operating activities			
Loss before taxation		(55,656)	(681,122)
Operating profit before working capital changes		(55,656)	(681,122)
Changes in working capital			
Amount due to subsidiary		-	2,216,600
Other receivables		-	201,307
Intangible asset		-	49,999
Other payables		55,656	(80,656)
Cash flow (used in) operations		55,656	1,706,128
Net cash flow (used in) operating activities		55,656	1,706,128
Cash flows from investing activity			
Net cash inflow from acquisition of subsidiary		-	3
Net cash flows from investing activity		-	3
Cash flows from financing activity			
Shares held for re-issue		-	(2,266,599)
Net proceeds from issue of shares		-	560,365
Net cash flows from financing activity		-	(1,706,234)
Net (decrease)/increase in cash at bank balance		0	(103)
Cash at bank at beginning of financial period		0	103
Cash at bank at end of financial period		0	0

The accounting policies and explanatory notes form an integral part of the financial statements.

ML HOLDINGS LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 September 2014

1 CORPORATE INFORMATION

The interim financial statements of M2L Holdings Limited for the period ended 30 September 2014 were authorised for issue in accordance with the resolution of the directors on the date of this statement.

M2L Holdings Limited is a public company limited by shares incorporated in Singapore and listed on the National Stock Exchange of Australia.

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

2. NATURE OF OPERATIONS

The interim financial report of ML Holdings Limited (“the Company”) for the period ended 30 September 2014 was authorised for issue in accordance with a resolution of the Directors on the date of the Statement by Directors.

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.

3. GENERAL INFORMATION AND BASIS OF PREPARATION

The interim consolidated financial statements are for the six months ended 30 September 2014 and are presented in Australian Dollars which is the Company’s functional currency. 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 consolidated financial statements of the Company for the year ended 31 March 2014.

ML Holdings Limited is the Group’s ultimate parent company. The Company was incorporated under the laws of Singapore as a public company limited by shares.

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

4. SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements have been prepared in accordance with the accounting policies adopted on the last annual financial statements for the year ended 31 March 2014, except for the adoption of the following accounting standards that became effective from 1 April 2014:

Amendments to IAS 32	Financial instruments: Presentation on asset and liability offsetting
Amendments to IFRS 10,12 and IAS 27	Consolidation for investment entities
Amendments to IAS 36	Impairment of assets
Amendment to IAS 39	Financial instruments recognition and measurement
IFRS 9	Financial instruments
Improvements to IFRSs 2014	Consolidated financial statements

The adoption of these new or amended IFRSs and IAS, where relevant to the Group, did not result in substantial changes to the Group's accounting policies or any significant impact on the Group's financial statements.

5. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

The Company did not conduct any transactions with related parties nor related companies.

ML HOLDINGS LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 September 2014

6. SUBSIDIARIES

	30.9.2014	31.3.2014
		\$
Unquoted equity investments, at cost	2	2

Name	Country of incorporation	Cost of investment 30.9.2014 \$	Cost of investment 31.3.2014 \$	Percentage of equity held	Principal activities
<u>Held by the Company</u>					
M2L Blue Ocean Holdings Pte Ltd ("M2LBO") *	Singapore	2	2	100%	Investment holding
Jade Palm Group	British Virgin Islands	(b),(c)	(b),(c)	100%	Investment holding
<u>Held by M2LBO</u>					
Xiamen Century Blue Ocean Tuition Centre	China	#	#	51%	Provision of supplementary academic tuition
Beijing Century Educational Development Centre	China	##	##	51%	Provision of examination to get work skills certification.
		2	2		

During the previous financial period:

- (a) the Company forfeited the shares issued to a former director for non-performance of his contractual obligations namely: (i) to provide operational and financial accounts of the Former Subsidiaries; and (ii) to transfer legal title of the Former Subsidiaries to M2L Blue Ocean Holdings Pte Ltd. Following this forfeiture of shares, the Former Subsidiaries ceased to be subsidiaries of the Company.
- (b) the Company acquired a 100% equity interest in Jade Palm Group Limited for a consideration of A\$442,000, satisfied in full by the issue of 4,420,000 new shares credited as being fully paid. Of the purchase consideration, a sum of A\$340,000 was attributable to Jade Palm Group Limited's 51% interest in Huaxiu Vocational School and the balance A\$102,000 in goodwill.
- (c) the Company disposed of its entire 100% equity interest in Jade Palm Group Limited for a cash consideration of S\$10,000.

ML HOLDINGS LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENT – 30 September 2014

6. SUBSIDIARIES -continued

- * The financial statements of the subsidiary M2L Blue Ocean Limited Pte Ltd (“Blue Ocean”) for the previous financial period were audited by MGI Singapore PAC. The auditor issued a disclaimed audit opinion in the Independent Auditors’ Report on the basis that: (i) they were not able to verify the existence and the ownership of the investment in the Former Subsidiaries; and (ii) Blue Ocean did not prepare one set of consolidated financial statements incorporating the financial statements of the Former Subsidiaries as those financial statements were not available, and for those reasons, they were unable to ascertain whether there had been any impairment in carrying value of S\$ 2,216,600 in relation to the investment in the Former Subsidiaries.
- # M2L Blue Ocean Holdings Pte Ltd acquired the 51% stake in Xiamen Century Blue Ocean Tuition Centre during the prior financial period from a former director for a consideration of RMB5,342,000 (approximately S\$1,055,524), paid by the issuance of 8,000,000 new shares in the issued and paid up share capital of the Company. As of the date of the end of the prior financial period, legal title to the 51% stake in Xiamen Century Blue Ocean Tuition Centre was not transferred to M2L Blue Ocean Holdings Pte Ltd. As disclosed above, Xiamen Century Blue Ocean Tuition Centre ceased to be a subsidiary during the financial period.
- ## M2L Blue Ocean Holdings Pte Ltd acquired the 51% stake in Beijing Century Educational Development Centre during the prior financial period from a former director for a consideration of RMB5,817,200 (approximately S\$1,161,076), paid by the issuance of 8,800,000 new shares in the issued and paid up share capital of the Company. As of the date of the end of the prior financial period, legal title to the 51% stake in Beijing Century Educational Development Centre was not transferred to M2L Blue Ocean Holdings Pte Ltd. As disclosed above, Beijing Century Educational Development Centre ceased to be a subsidiary during the financial period.
- * During the prior financial periods, M2L Blue Ocean Holdings Pte Ltd (“M2LBO”) audited by MGI Singapore PAC. The auditor issued a “disclaimer opinion” in the Independent Auditors’ Report on the audited financial statements of M2LBO for FY2012 as auditor are unable to verify the existence and the ownership of the investment in subsidiaries. Further, M2LBO did not prepare one set of consolidated financial statements incorporating those financial statements of its subsidiaries as the financial statements for the subsidiaries are not available. This is not in accordance with the Singapore Financial Report Standards No.27 “Consolidated and Separate Financial Statements” and does not comply with the Companies Act, Chapter 50. Consequently the auditor are unable to ascertain if there has been any impairment in the carrying value of S\$ 2,216,600 in relation to the investment in subsidiaries. The audited financial statements of M2LBO are enclosed with this report.
- # During the prior financial periods M2L Blue Ocean Holdings Pte Ltd, a wholly owned subsidiary of the Company, entered into an Equity Assignment Agreement with Mr LAN Shi Ren on 10 September 2011 and supplemented by two Supplemental Agreements dated 12 September 2011 and 28 November 2011 (together the CBO Acquisition Agreements). In accordance with the CBO Acquisition Agreements Mr LAN Shi Ren transferred his 51% equity interest in Xiamen Century Blue Ocean Tuition Centre to M2L Blue Ocean Holdings Pte Ltd for a consideration of RMB5,342,000 (approximately S\$1,055,524), paid with by the issue of 8,000,000 Shares in the share capital of M2L Holdings Limited.
- ## M2L Blue Ocean Holdings Pte Ltd entered into an Equity Assignment Agreement with Mr LAN Shi Ren on 10 September 2011 and supplemented by Supplemental Agreements dated 12 September 2011 and 28 November 2011 (together the BM Acquisition Agreements). In accordance with the BM Acquisition Agreements Mr LAN Shi Ren transferred his 51% equity interest in Beijing Century to M2L Blue Ocean Holdings Pte Ltd for a consideration of RMB5,817,200 (approximately S\$1,161,076), paid by the issue of 8,800,000 Shares in the share capital M2L Holdings Limited.

ML HOLDINGS LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENT - 30 September 2014

7. OTHER RECEIVABLES

	30.9.2014	31.3.2014
	\$	\$
<u>Prepayment</u>		
Acquisition during the period	-	201,307
Amortisation for the period	-	(35,133)
Assigned to related party#	-	(166,174)
As at end of period	-	-

Prepayment comprise of lease payments under a Lease Agreement entered into during the prior financial periods, between the Company and Mr Chong Hock Tat Robin and Madam Chua Soon Beng Ellen (the "Landlord"), directors of the Company, under which the Landlord leased a real property (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.

#During the prior financial period, the Company assigned the unexpired lease period to a company which Mr Chong Hock Tat Robin, a director, has an interest in as full and final settlement of debts due to that company. The Company recorded a gain of \$27,950 from this assignment.

During the prior financial periods, 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.

Approval for the Company's entry into the Lease Agreement being a related-party transaction with Mr CHONG Hock Tat Robin, a Director of the Company, was given by shareholders of the Company at an Extraordinary General Meeting held on 12 September 2011.

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

ML HOLDINGS LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENT - 30 September 2014

8. INTANGIBLE ASSET

	30.9.2014	31.3.2014
	\$	\$
Balance at beginning of the financial period	-	49,999
Acquired during the financial period#	-	-
Disposed during the financial period##	-	(49,999)
Balance at end of the financial period	<u>-</u>	<u>-</u>

The intangible asset, namely the copyright to a proprietary learning programme and its related coursework and material, was acquired during the period financial period from a former director for a consideration of S\$49,999 payable by the issuance of 4,999,999 new shares in the issued and paid up share capital of the Company.

During the financial period, the Company forfeited the shares issued to that former director for his failure to deliver the related coursework and material to the Company. Following this forfeiture of shares, the agreement for the acquisition of the intangible asset was terminated and the Company ceased to interest in the copyright.

9. OTHER PAYABLES

	30.9.2014	31.3.2014
	\$	\$
Amount due to a Director	93,104	28,949
Accruals	3,500	12,000
	<u>96,604</u>	<u>40,949</u>

The amount owing to director/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.

10. SHARE CAPITAL

30.9.2014

	No. of shares	Amount (\$)
Issued and fully paid up:		
As at 01.4.2014 and 30.09.2014	<u>61,420,00</u>	<u>3,101,594</u>

ML HOLDINGS LIMITED

NOTES TO THE INTERIM FINANCIAL STATEMENT - 30 September 2014

10. SHARE CAPITAL-continued

31.3.2014

	No. of shares	Amount (\$)
Issued and fully paid up:		
As at 01.4.2014	57,000,000	2,541,226
Issued for acquisition of Jade Palm Group Limited:		
As goodwill on acquisition	2,340,000	133,788
Attributable to Jade Palm Group Limited's 51% interest in Huaxiu Vocational School	2,080,000	6,580
As at 30.09.2014	<u>61,420,00</u>	<u>3,101,594</u>

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.

11. CANCELLED SHARES HELD FOR RE-ISSUE

During the previous financial period, the following issued and paid up shares were cancelled:

	2014	
	No. of shares	Amount \$
Shares issued for acquisition of Beijing Century Education Development Centre	(8,800,000)	(1,161,076)
Shares issued for acquisition of Xiamen Century Blue Ocean Tuition Centre	(8,000,000)	(1,055,524)
Shares issued for acquisition of copyright	(4,999,999)	(49,999)
	<u>(21,799,999)</u>	<u>(2,266,599)</u>

The above shares were cancelled pursuant to a resolution of members passed at an Extraordinary General Meeting of the Company held on 5 December 2012. The cancelled shares are held by the Company as for re-issue.

ML HOLDINGS LIMITED**NOTES TO THE INTERIM FINANCIAL STATEMENT - 30 September 2014**

12. TAXATION

There is no tax expense and the Company incurred losses.

Reconciliation between the tax expenses / (benefit) and the product of accounting profit multiplied by the applicable tax rate for the financial periods ended 31 March / 30 September was as follows:

	30.9.2014	31.3.2014
	\$	\$
(Loss) before taxation	<u>(55,656)</u>	<u>(681,122)</u>
Tax at statutory rate 17%	(9,462)	(115,791)
Adjustments:		
Tax effect on non-deductible expenses	-	-
Others	<u>9,462</u>	<u>115,791</u>
	<u>-</u>	<u>-</u>

13. RELATED PARTY TRANSACTIONS

There were no related party transactions.

14. SUBSEQUENT EVENTS

The Company began to actively seek investments in the education sector in developed markets, particularly, Singapore and Australia.

15. CONTINGENT LIABILITIES

There are not contingent liabilities as at the date of these financial statements.