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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)

DISCLOSEABLE TRANSACTION ACQUISITION AND LEASE OF PROPERTY

ACQUISITION AND LEASE OF PROPERTY

The Board announces that on 21 November 2017 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Contract of Sale with the Vendor, pursuant to which the Purchaser will acquire from the Vendor the Property for a purchase price of AUD2,078,000.00, the completion of which will take place within 6 months from the date of the Contract of Sale. Simultaneously, the Lessee, an indirect wholly-owned subsidiary of the Company and the Vendor as lessor entered into Lease Agreement, pursuant to which the Lessee will lease the Property from the Vendor for an initial period of 1 year at a rental of AUD12,166.66 per month. The Purchase Price for the Property is AUD2,078,000.00 payable in cash and was determined after arm's length negotiation between the parties to the Contract of Sale by reference to the market price of similar properties in nearby locations in Australia. The Rental was determined after arm's length negotiation between the parties to the Lease Agreement and was based on normal commercial terms.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 19.08 of the GEM Listing Rules in respect of the Acquisition and the Lease together are more than 5% but less than 25%, the Acquisition and the Lease together constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements therein.

The Board announces that on 21 November 2017 (after trading hours of the Stock Exchange), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Contract of Sale with the Vendor, pursuant to which the Purchaser will acquire from the Vendor the Property for a purchase price of AUD2,078,000.00.

THE CONTRACT OF SALE AND THE ACQUISITION

Date: 21 November 2017

- Parties (i) Purchaser: M&L Oceania Management Pty Ltd, which is an indirect wholly-owned subsidiary of the Company
- (ii) Vendor: Raunik Warehouse Developments Pty Ltd

The Purchaser is an property investment company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is a third party independent of the Company and its connected persons (as defined under the GEM Listing Rules)

Sale and Purchase

Pursuant to the Contract of Sale, the Vendor will sell the Property to the Purchaser (or its nominee), the completion of which will take place within 6 months from the date of the Contract of Sale.

The Property

The Property is a warehouse with office situated at 9 Efficient Drive, Truganina VIC 3029, Australia with site area of approximately 2,728 square metres and built up floor area of approximately 1,757 square metres. The Property is currently owned by the Vendor and subject to and sold with the Lease Agreement.

Purchase Price

The Purchase Price for the Property is AUD2,078,000.00 payable in cash and was determined after arm's length negotiation between the parties to the Contract of Sale by reference to the market price of similar properties in nearby locations in Australia.

On the basis of the above factors and considering the benefits of the Acquisition as set out in the section headed "Reasons for and benefits of the Acquisition and Lease" in the announcement, the Directors consider that the Purchase Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Terms of Payment

- (a) an initial deposit of AUD207,800.00 has been paid by the Purchaser to the Vendor upon signing of the Contract of Sale; and
- (b) the remaining balance of the Purchase Price in the amount of AUD1,870,200.00 will be payable by the Purchaser to the Vendor in accordance with the terms of the Contract of Sale.

The Company intends to fund the Purchase Price by internal resources of the Group, bank borrowings or fund raising exercises if appropriate.

Completion

Completion will take place within 6 months from the date of the Contract of Sale.

THE LEASE AGREEMENT

Date: 21 November 2017

Parties (i) Lessee: M&L Australia Engineering Pty Ltd, which is an indirect wholly-owned subsidiary of the Company

(ii) Lessor: Raunik Warehouse Developments Pty Ltd

Tenure

One year from the date of the agreement.

Rental

AUD12,166.66 per month payable at the beginning of each calendar month.

The Rental was determined after arm's length negotiation between the parties to the Lease Agreement and was based on normal commercial terms.

REASONS FOR AND BENEFITS OF THE ACQUISITION AND LEASE

The Company is an investment holding company. The Group is principally engaged in providing integrated engineering solutions services in connection with specialised cutting tools and parts for construction equipment in Hong Kong, PRC and Singapore. The Group had entered into an agreement with its largest supplier in December 2016 whereby the Group was granted exclusive distributorship of certain products of the supplier in Australia and New Zealand.

The Group currently does not have a permanent establishment in Australia. It is intended that an administrative office and operational workshop will be set up at the Property to facilitate development of the Group's business in the Australian market. The Lease Agreement allows the Group to take immediate possession of the Property to commence set up of its operation, while in the meantime the Group can settle the financing arrangement for the Acquisition.

On the above basis, the Directors consider that the terms of the Contract of Sale, the Acquisition and the Lease are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rule 19.08 of the Listing Rules in respect of the Acquisition and the Lease in aggregate are more than 5% but less than 25%, the Acquisition and the Lease together constitutes a discloseable transaction on the part of the Company is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	acquisition of the Property by the Purchaser from the Vendor pursuant to the terms and conditions of the Contract of Sale
“Board”	board of Directors
“Company”	M&L Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM of the Stock Exchange
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Contract of Sale
“Contract of Sale”	contract of sale dated 21 November 2017 entered into between the Purchaser and the Vendor in relation to the sales and purchase of the Property
“Director(s)”	director(s) of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“PRC”	the People’s Republic of China
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Lease”	lease of the Property by the Lessee from the Vendor as lessor pursuant to the terms and conditions of the Lease Agreement

“Lease Agreement”	lease agreement over the Property dated 21 November 2017 between the Lessee and the Vendor as lessor
“Leasee”	M&L Australia Engineering Pty Ltd, a company incorporated in Australia with limited liability and an indirect wholly-owned subsidiary of the Company
“Property”	The Property is a warehouse with office situated at 9 Efficient Drive, Truganina VIC 3029, Australia
“Purchase Price”	purchase price in the amount of AUD2,078,000.00 for the Acquisition
“Purchaser”	M&L Oceania Management Pty Ltd, a company incorporated in Australia with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Raunik Warehouse Developments Pty Ltd, an independent third party of the Company and its connected persons
“AUD”	Australian dollars, the lawful currency of Australia
“%”	per cent

By order of the Board
M&L Holdings Group Limited
Ng Lai Ming
*Chairman, Chief Executive Officer and
Executive Director*

Hong Kong, 21 November 2017

As at the date of this announcement, the executive Directors are Mr. Ng Lai Ming, Mr. Ng Lai Tong, Mr. Cheung King and Mr. Ng Lai Po and the independent non-executive Directors are Mr. Tai Wai Kwok, Ir Lo Kok Keung and Mr. Lau Chi Leung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.

This announcement will remain on the website of the GEM of The Stock Exchange of Hong Kong Limited at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement will also be published on the website of the Company at www.mleng.com.