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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)

**VERY SUBSTANTIAL DISPOSAL IN RELATION TO
THE DISPOSAL OF THE DISPOSAL PROPERTY
AND
MAJOR TRANSACTION IN RELATION TO
THE ACQUISITION OF THE TARGET PROPERTY**

On 29 November 2024 (after trading hours of the Stock Exchange), M&L Oceania (as the vendor) and the Counter Party (as the purchaser) entered into the Disposal Agreement, pursuant to which M&L Oceania has conditionally agreed to dispose of, and the Counter Party has conditionally agreed to purchase, the Disposal Property, at a total consideration of A\$6.0 million (equivalent to approximately HK\$30.3 million).

On the same day (after trading hours of the Stock Exchange), the Counter Party (as the vendor) and M&L Oceania (as the purchaser) entered into the Acquisition Agreement, pursuant to which the Counter Party has conditionally agreed to dispose of, and M&L Oceania has conditionally agreed to purchase, the Target Property, at a total consideration of A\$2.75 million (equivalent to approximately HK\$13.9 million).

As the highest applicable percentage ratio in respect of the Disposal is more than 75%, the Disposal constitutes a very substantial disposal of the Company pursuant to Rule 19.06(4) of the GEM Listing Rules and is, therefore, subject to reporting, announcement, circular and the Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As the highest applicable percentage ratio in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company pursuant to Rule 19.06(3) of the Listing Rules and is, therefore, subject to reporting, announcement, circular and the Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Disposal Completion and Acquisition Completion is conditional upon the satisfaction of the Disposal Conditions Precedent and Acquisition Conditions Precedent, respectively. Accordingly, the Disposal and the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

Reference is made to the voluntary announcement of the Company dated 8 October 2024 in relation to the Potential Disposal and the Potential Acquisition (the “**Voluntary Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Voluntary Announcement.

THE TRANSACTIONS

On 29 November 2024 (after trading hours of the Stock Exchange), M&L Oceania (as the vendor) and the Counter Party (as the purchaser) entered into the Disposal Agreement, pursuant to which M&L Oceania has conditionally agreed to dispose of, and the Counter Party has conditionally agreed to purchase, the Disposal Property, at a total consideration of A\$6.0 million (equivalent to approximately HK\$30.3 million).

On the same day (after trading hours of the Stock Exchange), the Counter Party (as the vendor) and M&L Oceania (as the purchaser) entered into the Acquisition Agreement, pursuant to which the Counter Party has conditionally agreed to dispose of, and M&L Oceania has conditionally agreed to purchase, the Target Property, at a total consideration of A\$2.75 million (equivalent to approximately HK\$13.9 million).

The Disposal Agreement

The principal terms of the Disposal Agreement are set out below:

Date

29 November 2024 (after trading hours of the Stock Exchange)

Disposal Property

9 Efficient Drive, Truganina VIC 3029, located in Melbourne, Australia, an industrial use property, together with two 12.5 tonne gantry cranes, two Jib and Post Cranes, alarm and security system, i.e. the Disposal Property

Parties

- (i) M&L Oceania (as the vendor); and
- (ii) the Counter Party, namely West Crane Properties No 2 Pty Ltd as trustee for the Triholm Avenue Property Trust (as the purchaser), being an independent third party

Disposal Consideration

A\$6,000,000 (equivalent to approximately HK\$30.3 million)

Payment

- (i) a refundable holding deposit of A\$1,000 was paid to the vendor's solicitors' trust account upon the execution of the Potential Disposal HoA;
- (ii) a deposit, representing 10% of the Disposal Consideration, shall be payable on the date of the Disposal Agreement and released to the vendor immediately upon receipt by the purchaser of a valid S27 statement in accordance with Section 27 of the Sale of Land Act 1962, of which A\$1,000 was paid as the refundable holding deposit as mentioned in (i) above; and
- (iii) balance of the Disposal Consideration to be settled upon settlement, which is conditional upon the fulfilment of the Disposal Conditions Precedent.

The Disposal Consideration was determined after arm's length negotiations between M&L Oceania and the Counter Party by reference to, among other things, the preliminary valuation of the subject assets of approximately A\$5.8 million (equivalent to approximately HK\$29.3 million) as at 30 September 2024 conducted by the Independent Valuer, using a combination of the market approach and cost approach.

Disposal Condition Precedent and Disposal Completion

Completion of the Disposal Agreement is conditional upon, among others:

- (i) obtaining the requisite approval from the Shareholders for the Disposal on terms of the Disposal Agreement on or before 1 December 2024; and
- (ii) completion of settlement of the Disposal Agreement for the Disposal Property and the Acquisition Agreement for the Target Property simultaneously.

Disposal Completion is conditional upon the Shareholders having approved the Disposal Agreement and the transaction contemplated thereunder at the EGM.

In the event that condition (i) cannot not been fulfilled on or before 1 December 2024, M&L Oceania may terminate the Disposal Agreement by giving writing notice to the Counter Party and M&L Oceania has the right to extend the due date by up to ninety (90) days (i.e. 1 March 2025, the long stop date) if, in the reasonable opinion of M&L Oceania, it is likely to be satisfied within the ninety (90) days period. If a further extension is required after the aforesaid extension, such further extension will apply subject to mutual agreement by both parties in writing.

The Acquisition Agreement

The principal terms of the Acquisition Agreement are set out below:

Date

29 November 2024 (after trading hours of the Stock Exchange)

Target Property

41 Triholm Avenue, Laverton VIC 3028, located in Melbourne, Australia, an industrial use property, together with three existing gantry cranes with 5T hoists, four jib cranes with hoists, security camera, alarm system and shipping container (located at rear of 41 Triholm Avenue), i.e. the Target Property

Parties

- (i) the Counter Party, namely West Crane Properties No 2 Pty Ltd as trustee for the Triholm Avenue Property Trust (as the vendor), being an independent third party; and
- (ii) M&L Oceania (as the purchaser)

Acquisition Consideration

A\$2,750,000 (equivalent to approximately HK\$13.9 million) plus GST. For the avoidance of doubt, the GST does not form part of the Acquisition Consideration

Payment

- (i) a refundable holding deposit of A\$1,000 was payable by the purchaser to the vendor's solicitors' trust account upon the execution of the Potential Acquisition HoA;
- (ii) a deposit, representing 10% of the Acquisition Consideration, shall be payable on the date of the Acquisition Agreement and released to the vendor immediately upon receipt by the purchaser of a valid S27 statement in accordance under Section 27 of the Sale of Land Act 1962, of which A\$1,000 was paid as the refundable holding deposit as mentioned in (i) above; and
- (iii) balance of the Acquisition consideration to be settled upon settlement, which is conditional upon the fulfilment of the Acquisition Conditions Precedent.

The Acquisition Consideration was determined after arm's length negotiations between the Counter Party and M&L Oceania by reference to, among other things, the preliminary valuation of the subject assets of approximately A\$2.8 million (equivalent to approximately HK\$14.1 million) as at 30 September 2024 conducted by the Independent Valuer, using a combination of the market approach and cost approach.

Acquisition Condition Precedent and Acquisition Completion

Completion of the Acquisition Agreement is conditional upon, among others:

- (i) obtaining the requisite approval from the Shareholders for the Acquisition on terms of the Acquisition Agreement on or before 1 December 2024; and
- (ii) completion of settlement of the Acquisition Agreement for the Target Property and the Disposal Property for the Disposal Property simultaneously.

Acquisition Completion is conditional upon the Shareholders having approved the Acquisition Agreement and the transaction contemplated thereunder at the EGM.

In the event that condition (i) cannot not been fulfilled on or before 1 December 2024, M&L Oceania may terminate the Disposal Agreement by giving writing notice to the Counter Party and M&L Oceania has the right to extend the due date by up to ninety (90) days (i.e. 1 March 2025, the long stop date) if, in the reasonable opinion of M&L Oceania, it is likely to be satisfied within the ninety (90) days period. If a further extension is required after the aforesaid extension, such further extension will apply subject to mutual agreement by both parties in writing.

FINANCIAL EFFECTS OF THE TRANSACTIONS

Based on the Disposal Consideration of approximately A\$6.0 million (equivalent to approximately HK\$30.3 million), the book value of the Disposal Property of approximately A\$3.6 million (equivalent to approximately HK\$18.3 million), the professional fees and other expenses of approximately HK\$1.1 million, the Company expects to record a profit of approximately HK\$11.0 million from the Disposal (before taxes and surcharges), subject to audit. The cash balance of the Group is expected to increase by the net proceeds arising from the Disposal, before taking into account the effects of the Acquisition.

Based on the Acquisition Consideration of approximately A\$2.75 million (equivalent to approximately HK\$13.9 million) and the professional fees and other expenses, excluding the GST, of approximately HK\$1.0 million, the cash balance of the Group is expected to reduce by the Acquisition Consideration together with the related expense arising from the Acquisition, before taking into account the effects of the Disposal.

The above figures are for illustrative purpose only. The actual figures in connection with the Transactions will be subject to the amount of taxes and surcharges to be assessed by the relevant taxation departments in Australia, and the review and final audit by the independent auditors of the Company.

EARLY ACCESS ARRANGEMENTS

Pursuant to the Early Access Arrangements, the Counter Party will gain access to an area of 450 sq.m. in the Disposal Property free of charge commencing on the date of the Disposal Agreement for a term of six months. On the other hand, M&L Oceania will gain access to an area of not less than 200 sq.m. in the Acquisition Property free of charge, commencing from the satisfaction of obtaining the requisite approval from the Shareholders for the Disposal on terms of the Disposal Agreement. The parties can extend the term of the lease by mutual agreement in writing.

INFORMATION OF THE PARTIES, THE DISPOSAL PROPERTY AND THE TARGET PROPERTY

M&L Oceania, principally engaged in property investment in Australia, is a company incorporated in Australia with limited liability and an indirect wholly-owned subsidiary of the Company.

West Crane Properties No 2 Pty Ltd, principally engaged in manufacture cranes and hoist, is a company incorporated in Australia and an independent third party to the Company, and is owned, directly or indirectly, as to approximately 50.0%, 25.0% and 25.0% by Julie Maree Skoglund, Domenica Cassetta and Toni Cassetta, respectively. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, West Crane Properties No 2 Pty Ltd and each of its ultimate beneficial owners is an independent third party of and not connected with the Company and its connected persons.

The Disposal Property comprised an industrial use property located at 9 Efficient Drive, Truganina VIC 3029, together with two 12.5 tonne gantry cranes, two Jib and Post Cranes, alarm and security system. The rental income of the Group attributable to the Disposal Property for the year ended 31 December 2021, 2022 and 2023 and since 1 January 2024 and up to the date of this announcement, amounted to nil, nil, nil and approximately A\$15,000 (excluding GST), respectively.

The Target Property comprised an industrial use property located at 41 Triholm Avenue, Laverton VIC 3028, with three existing gantry cranes with 5T hoists, four jib cranes with hoists, security camera, alarm system and shipping container (located at rear of 41 Triholm Avenue). As advised by the Vendor, in each of the past three most recently completed financial years up to and including the date of this announcement, the subject assets was leased to the Vendor's related entity, and was not leased to the Vendor's independent third party that was not a related entity of the Vendor, and did not give rise to any external generated rental and/or income, directly or indirectly.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Group is an integrated engineering solutions provider principally engaged in the trading and lease of construction machinery and spare parts with two principal segments, namely, tunnelling and foundation, in connection with the supply of specialised tools and construction equipment. It has established relationship with customers and/or business operators across overseas countries and maintained operations in Asia-Pacific countries, the PRC, including Hong Kong, and Australia.

The management of the Group has been actively exploring and pursuing local and overseas business opportunities. Its financial and operational resources will be managed and, where necessary, reallocated from time to time with a view to satisfy the working capital needs of the projects on hand at the material time. The Group has adopted and shall continue to adhere to a prudent financial management strategy.

The Board is of the view that the Transactions represent an attractive opportunity for the Group to realise its investment in the Disposal Property, which is mainly used for the Group's operations in Australia, such as storage of construction machinery and spare parts primarily for tunneling projects, project coordination and general administrative functions for the Group's businesses in Australia as at the date of this announcement, and acquire the Target Property at a consideration determined with reference to, among other things, the valuation of the subject assets as respectively appraised by the Independent Valuer. The Group's main operating site in Australia will be relocated to the Target Property after the completion of the Transactions with an estimated relocation cost of approximately A\$10,000 (equivalent to approximately HK\$50,500, which will not cause undue or prolonged business and operation disruption of the Group, and that the Group is anticipated to receive net cash inflow from the proceeds arising from the Disposal less the Acquisition Consideration and any related costs related to the Transactions, such as professional fees (the "**Net Transaction Proceeds**").

It is the intention of the Board to utilise the Net Transaction Proceeds to enhance the Group's overall working capital, re-deploy to other ongoing and/or potential project(s) of the Group which may require cash outlay and/or develop the existing tunnelling and/or foundation businesses of the Group.

Having considered the above factors, the Board is of the view that the Transactions and the estimated relocation cost, although not conducted in the ordinary and usual course of business, the terms of the Transactions are on normal commercial terms, fair and reasonable and in the interests of the Shareholders and the Company as a whole.

GEM LISTING RULES IMPLICATION

As the highest applicable percentage ratio in respect of the Disposal is more than 75%, the Disposal constitutes a very substantial disposal of the Company pursuant to Rule 19.06(4) of the GEM Listing Rules and is, therefore, subject to reporting, announcement, circular and the Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As the highest applicable percentage ratio in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company pursuant to Rule 19.06(3) of the Listing Rules and is, therefore, subject to reporting, announcement, circular and the Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Agreements and the transaction contemplated thereunder. To the best of the Directors' knowledge, no Shareholder has a material interest in the Transactions and accordingly, no Shareholder is required to abstain from voting in respect of the ordinary resolutions to approve the Transactions at the EGM.

A circular containing, among other things, further information relating to the Transactions, the notice of the EGM and other information is expected to be despatched to the Shareholders on or before 31 December 2024.

Disposal Completion and Acquisition Completion is conditional upon the satisfaction of the Disposal Conditions Precedent and Acquisition Conditions Precedent, respectively. Accordingly, the Disposal and the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition”	the sale and purchase of the Target Property under the Acquisition Agreement
“Acquisition Agreement”	the sale and purchase agreement dated 29 November 2024 entered into between the Counter Party and M&L Oceania in relation to the Acquisition
“Acquisition Completion”	completion of the Acquisition

“Acquisition Condition(s) Precedent”	the condition(s) precedent to the Acquisition Completion set out in the section headed “The Acquisition Agreement” in this announcement
“Acquisition Consideration”	the consideration for the Acquisition
“Agreements”	the Disposal Agreement and the Acquisition Agreement
“A\$”	Australian dollars, the lawful currency of Australia
“Board”	the board of Directors
“Company”	M&L Holdings Group Limited, an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the GEM (stock code: 8152)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Counter Party”	West Crane Properties No 2 Pty Ltd, a company incorporated in Australia. The Counter Party is the purchaser of the Disposal Property and the vendor of the Target Property, and as trustee for the Triholm Avenue Property Trust. Each of West Crane Properties No 2 Pty Ltd and Triholm Avenue Property Trust is an independent third party to the Company
“Director(s)”	the director(s) of the Company
“Disposal”	the sale and purchase of the Disposal Property under the Disposal Agreement
“Disposal Agreement”	the sale and purchase agreement dated 29 November 2024 entered into between M&L Oceania and the Counter Party in relation to the Disposal
“Disposal Completion”	completion of the Disposal
“Disposal Condition(s) Precedent”	the condition(s) precedent to the Completion set out in the section headed “The Disposal Agreement” in this announcement
“Disposal Consideration”	the consideration for the Disposal

“Disposal Property”	9 Efficient Drive, Truganina VIC 3029, together with two 12.5 tonne gantry cranes, two Jib and Post Cranes, alarm and security system
“Disposal Property Early Access Arrangement”	the Counter Party will gain access to an area of 450 sq.m. in the Disposal Property free of charge commencing on the date of the Disposal Agreement for a term of six months. In any event, the parties can extend the term of the lease by mutual agreement in writing.
“Early Access Arrangements”	the Disposal Property Early Access Arrangement and the Target Property Early Access Arrangement
“EGM”	an extraordinary general meeting of the Company to be convened and held, at which resolutions will be proposed to consider, and, if thought fit, to approve the Agreements and the transactions contemplated thereunder
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“GST”	goods and services tax as imposed by the Australian Taxation Office from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s) (as defined under the GEM Listing Rules)
“Independent Valuer”	Royson Valuation Advisory Limited, an independent valuer engaged by the Company
“M&L Oceania”	M&L Oceania Management Pty Limited, a company incorporated in Australia with limited liability and an indirect wholly-owned subsidiary of the Company, and the vendor of the Disposal Property and the purchaser of the Target Property
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the Company
“Shareholder(s)”	holders of the Shares

“sq.m.”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed to it under the GEM Listing Rules
“Target Property”	41 Triholm Avenue, Laverton VIC 3028, together with three existing gantry cranes with 5T hoists, four jib cranes with hoists, security camera, alarm system and shipping container (located at rear of 41 Triholm Avenue)
“Target Property Early Access Arrangement”	M&L Oceania will gain access to an area of not less than 200 sq.m. in the Acquisition Property free of charge commencing from the satisfaction of obtaining the requisite approval from the Shareholders for the Disposal on terms of the Disposal Agreement. In any event, the parties can extend the term of the lease by mutual agreement in writing
“Transactions”	the Disposal and the Acquisition
“%”	per cent

In this announcement, for illustration purposes only and unless otherwise stated, all amounts denominated in A\$ have been translated into HK\$ using the exchange rate of A\$1.00: HK\$5.05. Such translations shall not be construed as a representation that any amount in A\$ can be or could have been converted into HK\$ at the above rate or at all.

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

Hong Kong, 29 November 2024

*This announcement, for which the directors of the Company (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.*

As at the date of this announcement, 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.

This announcement will remain on the “Latest Listed Company Information” page of Stock Exchange website at www.hkexnews.hk for at least 7 days from the date of its posting and on the Company’s website at www.mleng.com