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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 OF 100% SHARES IN TARGET COMPANY

THE ACQUISITION

On 10 December 2025 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendors, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Sale Shares, representing the 100% of the shares in the Target Company, at the total Consideration of €650,000 (equivalent to approximately HK\$5,870,000).

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition exceed 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Board is pleased to announce that on 10 December 2025 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendors, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Sale Shares, representing the 100% of the shares in the Target Company, at the Consideration.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below:

Date

10 December 2025

Parties

- (i) Vendors: Palmieri S.P.A. (Vendor A)
 Patrizia Pierallini (Vendor B)
 Lau Yu Sum (劉瑜芯) (Vendor C)
- (ii) Purchaser: East Focus Engineering Services Limited

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendors and their respective ultimate beneficial owner(s) (if any) are third parties independent of and not connected with the Company and its connected persons.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Sale Shares, representing 100% of the shares in the Target Company.

Consideration

The total Consideration for the Acquisition is €650,000 (equivalent to approximately HK\$5,870,000).

The Consideration payable to each of the Vendors is as follows:

- (1) €624,000 shall be payable to Vendor A for the 10,870,000 shares of the Target Company held by Vendor A;
- (2) €5,850 shall be payable to Vendor B for the 100,000 shares of the Target Company held by Vendor B; and
- (3) €20,150 shall be payable to Vendor C for the 350,000 shares of the Target Company held by Vendor C.

The Consideration shall be settled by the Purchaser in the manner set out below:

- (a) €260,000, representing 40% of the Consideration, shall be paid by the Purchaser to Vendor A (for itself and on behalf of Vendor B and Vendor C) on the Completion Date;
- (b) €195,000, representing 30% of the Consideration, shall be paid by the Purchaser to Vendor A (for itself and on behalf of Vendor B and Vendor C) within nine (9) months from the Completion Date; and
- (c) €195,000, representing 30% of the Consideration, shall be paid by the Purchaser to Vendor A (for itself and on behalf of Vendor B and Vendor C) within eighteen (18) months from the Completion Date.

The Consideration was determined after arm's length negotiations between the Vendors and the Purchaser on normal commercial terms, with reference to (a) the financial performance of the Target Group; (b) the growth potential and the future prospects of the Target Group and the potential synergistical effect brought to the Group by a vertical integration of the Target Group; and (c) the appraised value of the Target Group in the amount of HK\$8,100,000 as at 31 October 2025, based on a valuation report prepared by an independent professional valuer engaged by the Group, using the asset approach.

Payment

The Consideration shall be settled by the Purchaser in immediately available funds by wire transfer to a designated bank account of the Vendors.

The Consideration will be satisfied by the internal resources of the Group.

Conditions precedent

Completion shall be conditional upon and subject to the following conditions precedent being fulfilled and remaining satisfied or waived by the Purchaser (as the case may be) at Completion:

- (1) the Purchaser having carried out its due diligence review and investigation (whether legal, accounting, financial, operational or other aspects relating to the Target Group that the Purchaser considers appropriate) on the Target Group and being satisfied with the results thereof;
- (2) the Vendors having delivered a deed of indemnity duly executed by each of them to the Purchaser in respect of legal and tax liability in relation to the Target Group;
- (3) Vendor A having delivered to the Purchaser a trademark license agreement in respect of the Trademarks duly executed by it;

- (4) the compliance with any applicable laws and regulations which require compliance at any time prior to Completion in relation to the transactions contemplated under the Sale and Purchase Agreement;
- (5) (if required) all requisite waivers, consents and approvals from any relevant governments or regulatory authorities or other relevant third parties in connection with the transactions contemplated under the Sale and Purchase Agreement having been obtained;
- (6) from the date of the Sale and Purchase Agreement and at any time before Completion, the representations and warranties given by the Vendors remain true and accurate and not misleading, and no events have occurred that would result in any breach of any of such warranties or other provisions of the Sale and Purchase Agreement by the Vendors;
- (7) in respect of the license of the Trademarks, Vendor A having provided to the satisfaction of the Purchaser certain technical know-how and relevant assistance in relation to the Target Group's business; and
- (8) there is no occurrence of (i) any material adverse change; nor (ii) any of the events, matters or circumstances specified in the standstill provisions in the Sale and Purchase Agreement with respect to the Target Group.

The Vendors shall use their respective reasonable endeavours to procure the fulfillment of the conditions contained in (2) to (8) above (except for conditions (3) and (7) above which shall be the sole obligations of Vendor A) on or before the Completion Date.

The Purchaser may at its sole and absolute discretion and at any time waive, by notice in writing to the Vendors, all or part of the conditions (1), (2), (3), (5), (6), (7) and (8) above. Such waiver may be made subject to such terms and conditions as are determined by the Purchaser. None of the other conditions may be waived by any of the Vendors unilaterally.

If any of the conditions has not been satisfied (or, as the case may be, waived by the Purchaser) on or before the Completion, the Sale and Purchase Agreement shall cease and terminate (except that certain surviving provisions shall remain in full force and effect) and none of the parties shall have any obligations and liabilities to any other party under or in respect of the Sale and Purchase Agreement, save for any antecedent breach.

Completion

Subject to satisfaction or waiver (as the case may be) of all the conditions precedent in full, Completion shall take place on the Completion Date.

As at the date of this announcement, Completion has taken place upon the entering into of the Sale and Purchase Agreement.

INFORMATION OF THE TARGET COMPANY AND THE TARGET GROUP

As at the date of this announcement, the Target Company is a company incorporated in Hong Kong with limited liability. The Target Group is principally engaged in the business of producing and dealing in, amongst others, disc cutters in the PRC under the Trademarks.

Before Completion, Vendor A, Vendor B and Vendor C held 10,870,000 shares, 100,000 shares and 350,000 shares in the Target Company, respectively, representing approximately 96.0%, 0.9% and 3.1% of the issued share capital of the Target Company, respectively.

Financial information of the Target Company

Set out below is the financial information of the Target Company for the two financial years ended 31 December 2023 and 2024 prepared in accordance with HKFRS for Private Entities Accounting Standard issued by Hong Kong Institute of Certified Public Accountants:

	For the year ended	
	31 December	
	2024	2023
	<i>HK\$</i>	<i>HK\$</i>
	(audited)	(audited)
Revenue	225,973	594,275
(Loss) before taxation	(1,541,459)	(1,538,500)
(Loss) after taxation	(1,541,459)	(1,538,500)

The unaudited net assets of the Target Group as at 31 October 2025 was approximately HK\$9.99 million and the audited net assets of the Target Group as at 31 December 2024 was approximately HK\$10.78 million.

Upon Completion and as at the date of this announcement, the Purchaser owns 100% of the shares in the Target Company and the financial results of the Target Group are consolidated into the financial statements of the Group.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As a strategic growth objective, the management of the Group has been actively exploring and pursuing local and overseas business opportunities. The Target Group was a supplier of the Group before Completion. With a view to diversifying the Group's existing business portfolio and broadening its source of income, the Board believes the Acquisition would enrich the Group's business. The Acquisition presents significant

strategic and operational benefits to the Group, conducive to enhancing supply chain stability and revenue diversification. The Board is of the view that the vertical integration of the Target Group, being an upstream supplier, would create synergies for the Group's business. Through the Acquisition, the Group will be able to leverage the production capacity and established brand name of the Target Group, which could be readily transformed into a part of the product offerings of the Group. The Group will gain full control over the production process, which will reduce production costs and enhance the Group's competitive advantage. Moreover, securing the exclusive distribution rights enjoyed by the Target Group for, amongst others, disc cutters products will substantially expand the Group's market coverage, which will help the Group to unlock new growth opportunities in Mainland China and Singapore. In addition, the Board considers that the Acquisition is a good opportunity to take over the Target Group given that the Consideration represents a discount to the appraised value and the audited net asset value of the Target Group.

In views of the above, the Board is of the view that the terms of the Sale and Purchase Agreement are on normal commercial terms, and the transaction contemplated thereunder is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

Information of the Company and the Group

The Company is an exempted company incorporated in the Cayman Islands with limited liability. 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.

Information of the Vendors

Vendor A is a joint stock company incorporated in Italy and its shares are held by Renomeccanica s.r.l., an Italian limited liability company. Mr. Stefano Palmieri and Mrs. Alessandra Palmieri are the owners of Renomeccanica s.r.l., each holding 10% of the capital therein and being joint owners of the remaining 80% of the capital therein. Vendor A is principally engaged in designing and manufacturing a wide range of fixed and revolving cutting tools for boring and tunnelling equipment.

Vendor B is an Italian citizen who was a minority investor in the Target Company.

Vendor C is a Hong Kong resident who was a minority investor in the Target Company.

Information of the Purchaser

The Purchaser is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement. It is principally engaged in the trading and hiring of construction machinery and spare parts in Hong Kong.

GEM LISTING RULES IMPLICATIONS

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DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares under the Sale and Purchase Agreement
“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 GEM of the Stock Exchange (stock code: 8152)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	10 December 2025, the date of the Completion
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	€650,000 (equivalent to approximately HK\$5,870,000), being the total purchase price for the Sale Shares under the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China
“Purchaser”	East Focus Engineering Services Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Sale and Purchase Agreement”	the sale and purchase agreement dated 10 December 2025 and entered into between the Vendors and the Purchaser in relation to the Acquisition
“Sale Shares”	11,320,000 ordinary shares in the Target Company, representing 100% of the issued shares of the Target Company
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the Company
“Shareholder(s)”	holder(s) of the Shares
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	MEK Group Company Limited, a company incorporated under the laws of Hong Kong with limited liability
“Target Group”	the Target Company and its subsidiary(ies)
“Trademarks”	the “PALMIERI” trademarks registered in the PRC and Singapore owned by Vendor A and used by Target Group in its business
“Vendor A”	Palmieri S.P.A., a joint stock company incorporated in Italy, which held approximately 96.0% of the shares in the Target Company before Completion
“Vendor B”	Patrizia Pierallini, an Italian citizen, who held approximately 0.9% of the shares in the Target Company before Completion
“Vendor C”	Lau Yu Sum, a Hong Kong resident, who held approximately 3.1% of the shares in the Target Company before Completion
“Vendors”	collectively, Vendor A, Vendor B and Vendor C

“€” Euro, the lawful currency of the European Union

“%” per cent.

By order of the Board
M&L Holdings Group Limited

Ng Lai Ming

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 10 December 2025

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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, Mr. Ng Lai Po and Mr. Ng Yung Wong 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 the website of the Stock Exchange 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.

Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of €1.00 = HK\$9.03.