

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase, or subscribe for any securities of the Company.



ACCEL GROUP HOLDINGS LIMITED

高陞集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1283)

DISCLOSEABLE TRANSACTION

ACQUISITION OF TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

THE ACQUISITION

The Board is pleased to announce that on 30 September 2025 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor entered into the Sale and Purchase Agreement pursuant to which the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the Sale Shares at the Consideration of HK\$24,000,000 which shall be satisfied (i) as to HK\$3,000,000 in cash; and (ii) as to HK\$21,000,000 by way of allotment and issue of the Consideration Shares to the Vendor under the General Mandate credited as fully paid.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition exceed 5% but are less than 25% and part of the Consideration for the Acquisition will be satisfied by the allotment and issue of the Consideration Shares, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. Upon Completion, the Group will hold 20% of the issued shares of the Target Company.

Shareholders and potential investors should note that the Acquisition contemplated under the Sale and Purchase Agreement is subject to satisfaction of certain conditions precedent and it may or may not be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

THE ACQUISITION

The Board is pleased to announce that on 30 September 2025 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor entered into the Sale and Purchase Agreement pursuant to which the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the Sale Shares at the Consideration of HK\$24,000,000, which shall be satisfied (i) as to HK\$3,000,000 in cash; and (ii) as to HK\$21,000,000 by way of allotment and issue of the Consideration Shares to the Vendor under the General Mandate credited as fully paid.

THE SALE AND PURCHASE AGREEMENT

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

Date: 30 September 2025 (after trading hours)

Parties: (i) the Purchaser (as purchaser);

(ii) the Vendor (as vendor)

As at the date of this announcement, the Vendor is the sole legal and beneficial owner of the entire issued share capital of the Target Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party.

Assets to be acquired

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares, representing 20% of the issued shares of the Target Company.

Consideration

Pursuant to the Sale and Purchase Agreement, the Consideration for the Sale Shares is HK\$24,000,000, which shall be satisfied in the following manner:

1. HK\$3,000,000 shall be paid in cash by the Purchaser upon signing of the Sale and Purchase Agreement;
2. HK\$21,000,000 shall be satisfied by the Company's allotment and issue of 15,000,000 Consideration Shares to the Vendor, at the issue price of HK\$1.4 per Consideration Share upon Completion under the General Mandate credited as fully paid.

Basis of determination of the Consideration

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to (i) the prospects of the Target Company's business; (ii) the financial performance of the Target Company; (iii) the valuation of 20% equity interest in Target Company at the amount of HK\$23,000,000 (the "**Valuation**") as at 31 March 2025 (the "**Date of Valuation**") based on market-based approach as assessed by the Valuer, an independent valuer engaged by the Company; (iv) the reasons for and benefits of the Acquisition to the Group following the Completion as set out in the section headed "Reasons for and Benefits of the Acquisition" below.

Consideration Shares

The Consideration Shares shall be allotted and issued pursuant to the General Mandate, credited as fully paid, and shall rank *pari passu* in all respects among themselves and with the Shares in issue on the date of such allotment and issue, including the right to receive all dividends and distributions which may be declared, made or paid after the Completion and will be issued free from all liens, encumbrances, equities or other third party's rights. The Consideration Shares will be allotted and issued under the General Mandate and therefore is not subject to the approval of the Shareholders.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. Upon Completion, the Group will hold 20% shareholding of the Target Company. Thus, the Target Company will not become a subsidiary of the Company upon Completion.

The Issue Price of each Consideration Share is HK\$1.40, which represents:

- (a) a premium of approximately 1.4% to the closing price of HK\$1.38 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (b) a premium of approximately 2.5% to the average closing price of approximately HK\$1.366 per Share for the last five trading days as quoted on the Stock Exchange immediately prior to the Last Trading Day.

The Issue Price was determined by the Purchaser and the Vendor after arm's length negotiations with reference to, among others, (i) the financial position of the Company; (ii) the prevailing market price of the Shares; and (iii) the current market conditions.

THE VALUATION

Valuation Methodology

In arriving at the appraised value of the Target Company, the Valuer considered the market-based approach, the asset-based approach and the income-based approach. Each of these approaches is appropriate in one or more circumstances, and sometimes, two or more approaches may be used together. Whether to adopt a particular approach will be determined by the most commonly adopted practice in valuing business entities that are similar in nature.

Market-based Approach

The market-based approach values a business entity by comparing prices at which other business entities in a similar nature changed hands in arm's length transactions. The underlying theory of this approach is that one would not pay more than one would have to for an equally desirable alternative. By adopting this approach, the Valuer will first look for valuation indication of prices of other similar business entities that have been sold recently.

Income-based Approach

The income-based approach focuses on the economic benefits due to the income producing capability of the business entity. The underlying theory of this approach is that the value of the business entity can be measured by the present worth of the economic benefits to be received over the useful life of the business entity. Based on this valuation principle, the income-based approach estimates the future economic benefits and discounts them to their present values using a discount rate appropriate for the risks associated with realizing those benefits.

Alternatively, this present value can be calculated by capitalizing the economic benefits to be received in the next period at an appropriate capitalization rate. This is subject to the assumption that the business entity will continue to maintain stable economic benefits and growth rate.

Asset-based Approach

The asset-based approach is based on the general concept that the earning power of a business entity is derived primarily from its existing assets. The assumption of this approach is that when each of the elements of working capital, tangible and intangible assets is individually valued, their sum represents the value of a business entity and equals to the value of its invested capital (“**equity and long term debt**”). Under the asset-based approach, the market value of equity of a business entity/group refers to the market values of various assets and liabilities on the statement of financial position of the business entity/group as at the measurement date, in which the market value of each asset and liability was determined by reasonable valuation approaches based on its nature.

Selection of Valuation Methodology

The selection of a valuation approach is based on, among others, the quantity and quality of information provided, access to available data, availability of relevant market transactions, type and nature of subject assets, purpose and objective of the valuation and professional judgment and technical expertise. Among the three approaches, the Valuer considers that market-based approach is more appropriate for valuing the 20% equity interest in the Target Company. In adopting the market-based approach, the Valuer has used guideline public company method in the valuation.

Comparable Companies

By using the public data available at Capital IQ, the Valuer has identified 10 comparable companies for valuation analysis. The Target Company engaged in providing construction services. The Valuer selected the comparable companies based on the criteria (i) the companies are principally engaged in construction service; (ii) the companies are listed in Hong Kong Stock Exchange; and (iii) the companies operate business in Hong Kong. The extracted information from Capital IQ are as follows:

Company Name	Stock Code	Business Description
Ching Lee Holdings Limited	3728.HK	Ching Lee Holdings Limited principally engages in the provision of construction, consultancy, and project management services primarily in Hong Kong. The company undertakes superstructure building works; and repair, maintenance, alteration, and addition works.

Company Name	Stock Code	Business Description
Chinney Alliance Group Limited	385.HK	Chinney Alliance Group Limited principally provides building related contracting services for public and private sectors in Hong Kong, Mainland China, and Macau.
CR Construction Group Holdings Limited	1582.HK	CR Construction Group Holdings Limited principally operates as a building contractor in Hong Kong, Mainland China, Malaysia, and the United Kingdom.
GME Group Holdings Limited	8188.HK	GME Group Holdings Limited principally engages in civil engineering works in Hong Kong. The company primarily serves main contractors in public sector infrastructure projects.
Landrich Holding Limited	2132.HK	Landrich Holding Limited principally engages in the construction engineering works in Hong Kong. The company undertakes civil engineering works as either a main contractor or a subcontractor.
Royal Deluxe Holdings Limited	3789.HK	Royal Deluxe Holdings Limited principally provides formwork erection and related ancillary services in Hong Kong.
SFK Construction Holdings Limited	1447.HK	SFK Construction Holdings Limited principally engages in the construction and maintenance business in Hong Kong. It operates in three segments: general building, civil engineering, and others.
Wecon Holdings Limited	1793.HK	Wecon Holdings Limited principally operates as a construction contractor in Hong Kong. It operates through construction contracts and repair, maintenance, alteration and addition segments.

Company Name	Stock Code	Business Description
WT Group Holdings Limited	8422.HK	WT Group Holdings Limited principally engages in the business of specialized and general building works in Hong Kong. The company undertakes specialized works, including foundation and site formation, demolition, and ground investigation field works; and general building works, such as superstructure building, slope maintenance, hoarding, alteration and addition, and other miscellaneous renovation and construction works.
Yau Lee Holdings Limited	406.HK	Yau Lee Holdings Limited principally engages in the construction business in Hong Kong and internationally. It operates through construction; electrical and mechanical installation; building materials supply; property investment and development; and hotel operations segments.

Major Assumptions

- The information provided and the representations made by the management of the Company with regard to the Target Company's financial and business affairs has been prepared on a reasonable basis after due and careful consideration;
- All relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Target Company operates or intends to operate would be officially obtained and renewable upon expiry;
- There will be no major change in the current taxation laws in the localities in which the Target Company operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- There will be no major change in the political, legal, economic or financial conditions in the localities in which the Target Company operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Target Company;
- Interest rates and exchange rates in the localities for the operation of the Target Company will not differ materially from those presently prevailing;

- The core business operation of the Target Company will not differ materially from those of present or expected; and
- The information regarding the Target Company provided by the management of the Company is true and accurate.

Details of Pricing Multiples and Adjustments in the Valuation

The Valuer selected price-to-earnings (“P/E”) multiple to determine the market value of the Target Company. This pricing multiple is relevant to the business of the Target Company and is commonly used in valuations of companies with positive earnings. The P/E of the comparable companies are set out in the table below:

Company Name	Stock Code	P/E
Ching Lee Holdings Limited	3728.HK	4.25
Chinney Alliance Group Limited	385.HK	4.81
CR Construction Group Holdings Limited	1582.HK	4.58
GME Group Holdings Limited	8188.HK	3.84
Landrich Holding Limited	2132.HK	34.76
Royal Deluxe Holdings Limited	3789.HK	41.54
SFK Construction Holdings Limited	1447.HK	19.29
Wecon Holdings Limited	1793.HK	29.59
WT Group Holdings Limited	8422.HK	9.34
Yau Lee Holdings Limited	406.HK	6.10
	Median:	7.72

Discount for Lack of Marketability (“DLOM”)

The concept of marketability deals with the liquidity of an ownership interest, that is how quickly and easily it can be converted to cash if the owner chooses to sell. The DLOM reflects the fact that there is no ready market for shares in privately held companies which are typically not readily marketable compared to similar interest in public companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company. The Valuer adopted the DLOM of 15.6% in the valuation, based on the 2024 edition of the Stout Restricted Stock Study Companion Guide issued by Stout Risius Ross, LLC.

To determine the equity value of the Target Company, the Valuer multiplied the Target Company’s trailing twelve months net profit for the period from 1 April 2024 to 31 March 2025 by the median P/E multiple of comparable companies (denoted as 7.72x) to derive the market value of the Target Company, adjusted with the marketability discount and its non-operating assets/liabilities, to arrive at the market value of the 20% equity interest in the Target Company. Based on the above analysis, the 20% equity interest in the Target Company as at the Date of Valuation was approximately HK\$23.0 million.

Conditions Precedent

Completion is conditional upon, among other things, the fulfilment or waiver (as the case may be) of the following conditions:

- (i) the Purchaser is satisfied with the results of the legal and financial due diligence on the Target Company and that there is no matter identified in the due diligence review which in the opinion of the Purchaser may adversely affect the value of the Sale Shares;
- (ii) the warranties made by the Vendor in the Sale and Purchase Agreement remain true, accurate and not misleading in all material respects, and not having material adverse effect which prevents the consummation by the Purchaser of the transactions contemplated under the Sale and Purchase Agreement;
- (iii) the Listing Committee granting listing of and permission to deal in the Consideration Shares (and that such granting and permission are not withdrawn prior to Completion);
- (iv) the Sale and Purchase Agreement and the transactions contemplated thereunder comply with all relevant requirements under the Listing Rules and the rules, codes and practice directions promulgated by the Stock Exchange, the Securities and Futures Commission or other regulatory authorities and the provisions of any applicable law;
- (v) all necessary waivers, consents, licenses and approvals required to be obtained from relevant governmental authority or regulatory authorities or any other third parties on the part of the Vendor and/or the Target Company in respect of the Sale and Purchase Agreement and the transaction contemplated thereby having been obtained; and
- (vi) all necessary waivers, consents, licenses and approvals required to be obtained from relevant governmental authority or regulatory authorities or any other third parties on the part of the Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained.

The Purchaser is entitled to waive conditions (i) and (ii) above.

In the event that any conditions precedent is not fulfilled on or before the Long Stop Date (or such other date as may be agreed by the Vendor and the Purchaser in writing), the Vendor shall refund to the Purchaser the Consideration (or any part thereof) paid by the Purchaser and the Sale and Purchase Agreement (other than certain surviving provisions in respect of confidentiality and governing law, etc.) shall lapse and be of no further force.

Completion

Completion will take place on the fifth (5th) Business Day after all the conditions precedent to the Sale and Purchase Agreement are fulfilled (or otherwise waived by the Purchaser) or such other date as the Vendor and the Purchaser may agree in writing.

Lock-up

The Vendor further undertakes to the Purchaser that the Vendor shall not whether directly or indirectly sell, dispose of, offer, transfer, lend or create any encumbrance on the legal and/or beneficial interest in or title to any of the Consideration Shares (or enter into any agreement or arrangement for, or allow, any of the above action), during the period of 18 months from the date of Completion.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure of the Company and the effect of allotment and issue of the Consideration Shares on the shareholding structure of the Company upon the Completion is set out as below:

Name of Shareholder	As at the date of this announcement		Immediately after the Completion, the allotment and issue of all Consideration Shares (Notes 1 & 2)	
	Number of Shares	Approximate % of total number of issued Shares	Number of Shares	Approximate % of total number of issued Shares
Lightspeed Limited (Note 3)	597,000,000	73.62	597,000,000	72.29
The Vendor	2,000,000	0.25	17,000,000	2.06
Other Public Shareholders	211,827,000	26.13	211,827,000	25.65
Total	<u>810,827,000</u>	<u>100.00</u>	<u>825,827,000</u>	<u>100.00</u>

Notes:

- (1) Assuming there is no change in the shareholding structure of the Company other than allotment and issue of all Consideration Shares.
- (2) Assuming the Acquisition is completed and all the Consideration Shares are allotted and issued.
- (3) The 597,000,000 Shares are held by Lightspeed Limited, which is beneficially owned as to 70% by the Chairman, an executive Director and the CEO of the Company, Dr. Ko Lai Hung and 30% by Ms. Cheung Mei Lan, an executive Director, the spouse of Dr. Ko. Under the Securities and Futures Ordinance, Dr. Ko is deemed to be interested in the Shares held by Lightspeed Limited and Ms. Cheung, spouse of Dr. Ko, is deemed to be interested in the Shares deemed to be held by Dr. Ko.

GENERAL INFORMATION

The Group

The Company is an investment holding company. The Group is principally engaged in provision of electrical and mechanical (“E&M”) engineering services typically involving supply, installation and maintenance of mechanical ventilation and air-conditioning systems.

The Purchaser

The Purchaser is an investment holding company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company.

The Vendor

The Vendor is the registered, legal and beneficial owner of the entire issued share capital of the Target Company and an Independent Third Party.

The Target Company

The Target Company is a company incorporated in Hong Kong which is engaged in the provision of construction services.

Financial information of the Target Company

Set out below is a summary of the key financial data of the Target Company extracted from the audited financial statements of the Target for the two years ended 31 December 2024 and 2023 as provided by the Vendor:

	For the year ended	
	31 December	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Revenue	663,406	385,350
Profit before taxation	13,509	7,152
Profit after taxation	10,516	6,432

The audited net assets of the Target Company as at 31 December 2024 was approximately HK\$27,821,000.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board believes that the Acquisition will bring commercial benefits to the Group for the following reasons:

The Acquisition is expected to further strengthen the position of the Group in the construction industry. The Target Company has been engaging in provision of general construction services including interior decoration, renovation and alteration and addition works for over 6 years. Taking advantage of the sound experience and expertise of the Target Company, the Acquisition will produce a synergy effect. By combining the Group's well-established customer network, which mainly includes main contractors and the government, together with the Target Company's experience, domain expertise and professionals, the Company believes that the Acquisition will bring deeper market penetration and broaden its customer base in the aforementioned sectors and providing more comprehensive services to our customers.

Accordingly, the Board is of the view that this Acquisition can lay a solid foundation for the Group's long-term development. The Directors will continue to explore other business opportunities that may enhance and benefit the Group's current mix of business operations.

The Directors consider that terms of the Sale and Purchase Agreement, including the Consideration, are fair and reasonable and on normal commercial terms and the Acquisition is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition exceed 5% but are less than 25% and part of the Consideration for the Acquisition will be satisfied by the allotment and issue of the Consideration Shares, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that the Acquisition contemplated under the Sale and Purchase Agreement is subject to satisfaction of certain conditions precedent and it may or may not be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares under the Sale and Purchase Agreement
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday and Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are generally open for business in Hong Kong
“Company”	Accel Group Holdings Limited (高陞集團控股有限公司), a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1283)
“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the aggregate consideration payable for the Sale Shares
“Consideration Shares”	15,000,000 Shares to be allotted and issued by the Company at the issue price of HK\$1.4 for each Consideration Share to the Vendor upon Completion pursuant to the terms of the Sale and Purchase Agreement
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to the ordinary resolution of the Shareholders passed at the annual general meeting of the Company held on 18 September 2025, which allowed the Directors to allot, issue and/or deal with up to 162,165,400 Shares, representing 20% of the total number of issued Shares as of the date on which such general mandate was granted
“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
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Last Trading Day”	30 September 2025, being the date of the Sale and Purchase Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date falling 6 months after (and exclusive of) the date of the Sale and Purchase Agreement, or such later date as the Purchaser and the Vendor may agree
“Purchaser”	Ascend Group Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 30 September 2025 and entered into between the Purchaser and the Vendor in respect of the sale and purchase of the Sale Shares
“Sale Shares”	20 issued and fully paid up shares of the Target Company, legally and beneficially owned by the Vendor, which represent 20% of the issued and fully paid up share capital of the Target Company
“Share(s)”	ordinary share(s) of HK\$0.01 each of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	De Heng Jian Zhu Fazhan Limited, a company incorporated in Hong Kong with limited liability
“Valuer”	Moss Valuation & Advisory Limited, an independent qualified professional valuer

“Vendor”

Zheng WeiHeng, the vendor under the Sale and Purchase Agreement

“%”

per cent.

By Order of the Board

Accel Group Holdings Limited

Ko Lai Hung

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 30 September 2025

As at the date of this announcement, the executive Directors are Dr. Ko Lai Hung and Ms. Cheung Mei Lan; the non-executive Director is Mr. Ko Angus Chun Kit; and the independent non-executive Directors are Mr. Chan Cheong Tat, Ms. Tse Ka Wing and Mr. Ho Chi Shing.