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美亞控股有限公司*
MAYER HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01116)

(the “Company”)

ANNOUNCEMENT

- (I) FULFILLMENT OF ALL RESUMPTION CONDITIONS**
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GUANGZHOU MAYER IN THE PRC**
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AND A COMPLAINT AGAINST THE CHAIRMAN OF THE COMPANY
AND**
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Financial adviser to the Company

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References are made to (i) the announcement of the Company dated 2 June 2017 in relation to, among other things, the resumption conditions of the Company (the “**Announcement**”); (ii) the circular of the Company dated 21 September 2018 (the “**Circular**”); (iii) the announcement of the Company dated 15 October 2018 in relation to, among other things, the poll results of EGM; (iv) the announcement of the Company dated 16 October 2018 in relation to the completion of the Share Buy-backs and the Capital Reorganisation, and allotment and issue of the Remuneration Shares; and (v) the announcement of the Company dated 19 November 2018 in relation to the results of the Open Offer. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

FULFILLMENT OF ALL RESUMPTION CONDITIONS

As stated in the Announcement, the Stock Exchange imposed four resumption conditions on the Company (the “**Resumption Conditions**”). The Board is pleased to announce that all the Resumption Conditions have been fulfilled as at 20 November 2018 and the details of which are stated as follows:

1. The Company must demonstrate that it has sufficient operations or value of assets under Rule 13.24

The Group is principally engaged in the processing and manufacture of different kinds of steel sheets and steel pipes, which are used by its customers in the manufacture of 3C (Computing, Consumer Electronics and Communication) products, sports equipment, as well as spare parts of household appliances and motor vehicles, through Guangzhou Mayer.

References are made to the periodic announcements of the Company dated 31 July 2017 and 31 August 2017 respectively, following the extraordinary general meeting of Guangzhou Mayer held on 14 February 2017, at which new directors and supervisors were elected by the shareholders of Guangzhou Mayer on voting, the new management were elected by new board of directors of Guangzhou Mayer on voting, and successfully entered into the premises of Guangzhou Mayer with the execution court order to inspect documents on 15 March 2017. There were further material development in resumption of control over Guangzhou Mayer. With mediation of one team of the local government, the new management reached mutual agreements with various stakeholders including the factory trade union, employee representatives and other related parties upon negotiation and communication, the factory of Guangzhou Mayer has resumed to normal operation.

The Guangzhou Administration for Industry & Commerce (廣州市工商行政管理局) has issued the new business license to Guangzhou Mayer on 4 August 2017 with indefinite validity period from 23 November 1995 whereby Mr. Wang Dongqi, being the non-executive Director, is the registered licensee. Soon after Guangzhou Mayer has been taken over, the new management has conducted comprehensive reviews in order to bring order out of chaos, to implement and to set up the service program of the production, enabling Guangzhou Mayer to sustain the status of good development.

From the official new issue of the business license to the establishment of the management team, the Company is indeed in control of all operation and management of Guangzhou Mayer.

Furthermore, the Settlement Deed, the Capital Reorganisation, the allotment and issue of the Remuneration Shares, the Open Offer and all the transaction contemplated under the Resumption Proposal have been completed.

Share certificates for the Offer Shares to those Qualifying Shareholders who have accepted and paid for their Offer Shares have been despatched by ordinary post on 20 November 2018 at their own risk.

Having considered the aforementioned, the Board is of the view that the Company has complied with Rule 13.24 of the Listing Rules in relation to the sufficient operations or assets of the Group.

2. *The Company must publish all outstanding financial results and address any audit qualifications*

As at the date of this announcement, the Company has no outstanding financial results and reports pursuant to Rule 13.46 to 13.49 of the Listing Rule.

Disclaimer of opinion, in relation to (i) opening balances and corresponding figures; (ii) limited accounting books and records of the Group; (iii) unconsolidation of Yield Rise Limited; (iv) available-for-sale financial assets; and (v) long term receivable, was issued by ZHONGHUI ANDA CPA Limited (the “**Auditors**”), the auditors of the Company, on the last published audited financial statements of the Company for the year ended 31 December 2017. Details of the disclaimer of opinion were set out in the Company’s annual report for the year ended 31 December 2017.

The Auditors concurred with the expected timing of removal of audit qualifications subject to the fulfillment of conditions set out below:

a) Opening balances and corresponding figures

This audit qualification will be removed upon the below audit qualifications are removed.

b) Limited accounting books and records of the Group

Since completed accounting books and records of Guangzhou Mayer for the year ended 31 December 2017 are available for audit purpose and the auditors had attended the physical count of Guangzhou Mayer’s inventories as at 31 December 2017, it is no longer as an audit issue for the year ended 31 December 2018. Therefore, there will be only an audit qualification on the comparative figures of the cost of goods sold for the year ending 31 December 2018. This audit qualification will be removed in the year ending 31 December 2019.

c) Unconsolidation of Yield Rise Limited

Upon the completion of the Settlement Deed, all the Promissory Notes and the Convertible Bonds have been cancelled. Also, the Company had transferred the shares in Yield Rise Limited to Make Success. It is clear that the Group has no control on Yield Rise Limited and should not be consolidated to the Group. There is no uncertainty in connection with the scope of consolidation thereafter. Therefore, there will not be any audit qualification regarding the Group’s financial position as at 31 December 2018.

However, in accordance with HKFRS 10, the subsidiaries should be de-consolidated from the date the control ceases. As the Board is unable to ascertain whether the Group has power to control Yield Rise Limited before the date of completion of Settlement Deed, the financial performance of Yield Rise Limited and its subsidiaries for period up to that date may need to be consolidated in Group’s profit or loss and other comprehensive income. As a result, there will be an audit qualification on the Group’s profit or loss and other comprehensive income for the year ending 31 December 2018. For the year ending 31 December 2019, there will still be an audit qualification on the comparative figures of the Group’s profit or loss and other comprehensive income. This audit qualification will be removed in the year ending 31 December 2020.

d) Available-for-sale financial assets

After July 2017, the management of the Company had contacted the management of Vietnam Mayer Company Limited (“**Vietnam Mayer**”) and understands that they are not allowed to participate in the management of Vietnam Mayer and nominate representatives to the board of directors of Vietnam Mayer. This situation demonstrates that the Group is unable to exercise significant influence over Vietnam Mayer. Therefore, the accounting treatment for Vietnam Mayer as available-for-sale financial asset is appropriate. It is no longer an audit issue thereafter. For the year ending 31 December 2018, there is still an audit qualification on the comparative figures of the Group’s profit or loss and other comprehensive income. This audit qualification will be removed in the year ending 31 December 2019.

e) Long term receivable

As stated in the Company’s announcement dated 13 October 2017, all the three investment agreements carry a term of three-year period commencing from January 2017. The Directors wish to terminate the three investment agreements as soon as possible, regardless of their legality. In order to make an attempt on the recovery of RMB50 million, three claim petitions against the three investment companies had been filed to the Court of Qianhai Cooperation District, Shenzhen, Guangdong Province (廣東省深圳前海合作區人民法院) (the “**Qianhai Court**”) in August 2017. The Qianhai Court had scheduled the hearing regarding two of the claim petitions on 20 November 2018. Considering the advice and opinions from the police authority and the lawyers, Guangzhou Mayer had withdrawn one of the claim petitions.

In addition to judicial assistance, the new management of Guangzhou Mayer considers the three investment agreements as deceitful acts committed by the former management of Guangzhou Mayer and the three investment companies. Therefore, the alleged wrongful transactions had been reported to the Police Department of Huangpu District, Guangzhou Municipality in May 2018. In order to remove the qualification, the Director will review the results of the recovery actions and determine the recoverable amount of the long term receivable accordingly. If necessary, allowance for non-recovery of the long term receivable will be made in the year ending 31 December 2018. In worst scenario, full allowance of RMB50 million may need to be made. Since the Auditors is unable to ascertain whether the allowance should be properly recorded in the year ended 31 December 2017 or year ending 31 December 2018, there will be an audit qualification on the Group’s profit or loss and other comprehensive income. For the year ending 31 December 2019, there will still be an audit qualification on the comparative figures of the Group’s profit or loss and other comprehensive income. This audit qualification will be removed in the year ending 31 December 2020.

3. *The Company must demonstrate that the Company has put in place adequate financial reporting procedures and internal control systems to meet obligations under the Listing Rules*

The Company has appointed an independent internal control consultant (the “**Internal Control Consultant**”) to review the internal control systems and procedures of the Company in the major areas of (i) sales and trade receivable; (ii) purchases and trade payables; (iii) inventory; (iv) cash and treasury management; (v) human resources and recruitment; (vi) fixed assets; (vii) financial reporting; (viii) forecasting and budgeting; and (ix) compliance.

The Internal Control Consultant is of the view that there are no material weaknesses in the internal control of the Group for the period covered 1 January 2017 to 31 August 2017.

The Board confirms that there is no material change in the internal control of the Group subsequent to the review period, i.e. 31 August 2017, to the date of this announcement.

In view of the above, the Company demonstrates that the Company has put in place adequate financial reporting procedures and internal control systems to meet its obligations under the Listing Rules.

4. *The Company must inform the market about all material information of the Company*

The Board confirms that the Company has already informed the market of all material information available that is necessary for the Shareholders and the public to appraise the position of the Group.

For further material information, if any, the Company shall inform the Shareholders and the public to appraise the position of the Group, including their implications to the Group’s assets, financial and operational positions.

ARRANGEMENT FOR ODD LOT TRADING

In order to facilitate the trading of odd lots (if any) of the Adjusted Shares, the Company has appointed Yicko Securities to provide matching services for sale and purchase of odd lots of Adjusted Shares at the relevant market price per Adjusted Share for Shareholders, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Adjusted Shares to make up a full board lot, or to dispose of their holding of odd lots of the Adjusted Shares from date to date. Holders of odd lots of the Adjusted Shares should note that successful matching of the sale and purchase of odd lots of the Adjusted Shares is not guaranteed. Any Shareholder who has any doubt about the odd lots arrangement, is recommended to consult his/her/its own professional advisers.

Shareholders who wish to take advantage of this facility should contact Mr. Lam Chun Yin of Yicko Securities at 19/F., Tung Ning Building, 125-127 Connaught Road Central, Hong Kong at telephone number (852) 2946 1323 and fax number (852) 2544 4361 during the aforesaid period.

UPDATE ON THE WINDING UP PETITION AGAINST GUANGZHOU MAYER IN THE PRC

References are made to the announcements of the Company dated 20 December 2017 and 9 October 2018.

Guangzhou Mayer received a notice dated 6 December 2017 from the Intermediate Court of Guangzhou Municipality, Guangdong Province (the “**Intermediate Court**”) that the Intermediate Court had received a winding up petition against Guangzhou Mayer filed by Wealth & Health Investments Limited and 泰順興業(內蒙古)食品有限公司* (Taishun Industrial (Inner Mongolia) Food Co., Limited). A defence of Guangzhou Mayer to dismiss such winding up petition was filed by the PRC legal advisers of Guangzhou Mayer on 18 December 2017. The date of hearing in respect of the winding up petition was scheduled on 27 December 2018.

As advised by the PRC legal advisers of Guangzhou Mayer, the winding up petition has no legal basis under the relevant PRC laws and legislations as the application for winding up of Guangzhou Mayer made by the two petitioners does not meet the conditions as required by the relevant PRC laws and regulations. Having considered the legal advice from the PRC legal advisers of Guangzhou Mayer, the Directors are of the view that the winding up petition would likely be dismissed and have no impact to the operation and financial condition of Guangzhou Mayer.

UPDATE ON THE PETITION AGAINST THE COMPANY IN HONG KONG

Reference is made to the announcement of the Company dated 19 October 2018.

On 15 October 2018, the Company received a petition (the “**Petition**”) issued by Mr. Chu Ting Yi (the “**Petitioner**”), a shareholder of the Company, in the High Court of Hong Kong against Aspial Investment, Bumper East, Mr. Lee Kwok Leung (“**Mr. Lee**”), the chairman of the Company and the Company (i.e. the respondents). According to the Petition, the Petitioner sought for, among other things, (i) an order that Mr. Lee, being the chairman of the EGM held, do exercise his power and/or discretion to disqualify Aspial Investment and Bumper East from voting on the resolutions at the EGM; and (ii) alternatively, an order that the votes of Aspial Investment and Bumper East be excluded in determining the results of the resolutions at the EGM. The date of hearing in respect of the Petition was scheduled on 13 February 2019.

In the Petition, the Petitioner mainly alleged that there is a conspiracy involving Aspial Investment and Bumper East under which they have wrongfully acquired their shareholding in the Company, and, by replacing the management of the Company and appointing new members to the board of directors of the Company, caused the Company to enter into the Settlement Deed for the purpose of settling the Company’s legitimate claim against Mr. Lam Chin Chun (“**Mr. Lam**”) who had wrongfully advised the Company on the acquisition of Yield Rise, which was contrary to the interests of the Company. The Petitioner also alleged that Mr. Lee was the sole director of a financial institution, namely Capital Wealth Finance Company Limited (“**Capital Wealth**”), of which Mr. Lam was the chief executive officer and certain new members of the board of directors of the Company as appointed and approved by Aspial Investment and Bumper East are closely associated with Mr. Lam, therefore, Aspial Investment, Bumper East and Mr. Lee are either perpetrators of the abovementioned conspiracy or have actual or constructive knowledge of such conspiracy.

It is the Petitioner's case that by reason of the abovementioned conspiracy, if Aspial Investment and Bumper East were permitted by Mr. Lee being the chairman of the EGM to vote on the resolutions at the EGM, the interests of the Petitioner would be unfairly prejudiced and the articles of association of the Company would be breached, and/or the mutual understanding and agreement between the Petitioner on the one hand, and Aspial Investment, Bumper East and/or Mr. Lee on the other, that Mr. Lee would act in accordance with the law, i.e. Mr. Lee as chairman of the EGM should exercise his discretion and/or power to disqualify Aspial Investment and Bumper East from voting on the resolutions at the EGM.

As advised by the legal advisers of the Company,

- (i) the alleged conspiracy in relation to the wrongful acquisition of the shareholdings in the Company by Aspial Investment and Bumper East were already tried in other Court actions and were not accepted by the court and it is of no relevancy to the transactions/resolutions sought to be approved in the EGM;
- (ii) the alleged conspiracy in relation to the wrongful acquisition of Yield Rise from Make Success due to the wrongful advice from Mr. Lam as set out in the Petition is completely lack of particulars to show that the acquisition is wrongful;
- (iii) the alleged conspiracy in relation to the formation of the board of directors of the Company by appointing new members to it is lack of any factual basis;
- (iv) nothing was pleaded on how the arrangement under the Settlement Deed would be prejudicial to the shareholders of the Company and the entering into of the Settlement Deed was being proposed at the EGM to seek approval from the independent shareholders of the Company (excluding Make Success); and
- (v) the acquisition of the shares in the Company by Aspial Investment and Bumper East is completely irrelevant to the settlement arrangement with Make Success and nothing in the Petition shows that any of Aspial Investment and Bumper East has any relationship with Make Success or has any personal interests in the transactions contemplated under the Settlement Deed.

In light of the above, the legal advisers of the Company are of the view that the Petition is completely groundless. Having considered the advice from the legal advisers of the Company, the Directors are of the view that the Petition would likely be dismissed and have no impact to the validity of the resolutions passed at the EGM.

UPDATE ON THE HIGH COURT ACTION NO. 2347 OF 2017 AND A COMPLAINT AGAINST THE CHAIRMAN OF THE COMPANY

Reference is made to the announcement of the Company dated 29 June 2018.

The statement of claim has been filed by the Company to seek remedies against, amongst others, Mr. Lai Yueh Hsing (“**Mr. Lai**”), a former director of the Company in relation to certain transactions carried out by the Company. A defence (the “**Defence**”) was filed by Mr. Lai on 9 November 2018. On the same day, a third party notice was issued by Mr. Lai who purported to join four parties as third parties (the “**Third Parties**”) including Mr. Lam, Mr. Chan Wai Dune Charles, Mr. Ku Siu Fun Alex and Mr. Lee, the chairman of the Company, to the action.

The Stock Exchange recently received a complaint against Mr. Lee together with the court documents in relation to High Court Action No. 2347 of 2017 including the Defence and the said third party notice. It is alleged in the Defence that:

- (i) there was a conspiracy (the “**Conspiracy**”) involving, amongst others, Capital Wealth of which Mr. Lee was the then sole director, Mr. Lam and/or Mr. Lee to defraud and/or injure Mr. Lai and/or deceiving and/or misleading him into depositing the share certificates for the shares in Mayer Corporation Development International Limited (the “**Mayer BVI Shares**”), with the share transfers endorsed in blank, at a custodian controlled by and/or associated with Capital Wealth, Mr. Lam, Mr. Chan Wai Dune Charles, Mr. Ku Siu Fun Alex and Mr. Lee in order to facilitate the wrongful sale or misappropriation of the Mayer BVI Shares by Capital Wealth and/or Mr. Lam;
- (ii) due to the alleged Conspiracy, the control of the Company was unlawfully acquired by Aspial Investment and Bumper East which subsequently caused the settlement of the HCA64/2012 Action against the relevant fraudsters (including Mr. Lam and Mr. Lee); and
- (iii) the loans of HK\$15,500,000 previously made by Capital Wealth and Capital Wealth Corporation Limited to the Company were fake.

In respect of the alleged Conspiracy and the relevant allegations made by Mr. Lai against Mr. Lee, the legal advisers of the Company are of the view that Mr. Lai failed to establish a case against Mr. Lee on the alleged Conspiracy on the grounds that:

- (i) the allegations made in the Defence by Mr. Lai to support the alleged Conspiracy substantially repeated the allegations he had made in other Court actions which were not accepted by the Court, and the issue of the alleged Conspiracy has already been rejected by the Court in a hearing held in July 2012;
- (ii) there is no evidence that Mr. Lee was involved in the alleged Conspiracy;
- (iii) the alleged Conspiracy did not concern the Company;

- (iv) whether there was Conspiracy, it did not affect Aspial Investment and Bumper East's ownership of their shares in the Company being the bona fide purchasers for value without notice; and
- (v) among the alleged fraudsters of the alleged Conspiracy, only Aspial Investment had voted in the EGM approving the settlement of the HCA64/2012 Action, however, its votes did not have any impact on the result because the resolutions had been approved by the majority of the independent shareholders attending the EGM.

In respect of the allegations regarding the loans made by Capital Wealth and Capital Wealth Corporation Limited to the Company, the legal advisers of the Company are of the view that there is no evidence that Mr. Lee had caused Capital Wealth and Capital Wealth Corporation Limited to defraud the Company simply because Mr. Lee was the sole director of those companies at the material times and Mr. Lai raised no allegation that Mr. Lee had personal knowledge of the alleged fraud, if any.

Having considered the advice from the legal advisers of the Company, the Directors are of the view that the allegations made against Mr. Lee are unfounded due to lack of evidence. Mr. Lee has also indicated to the Board that he denies all allegations made against him in both the said complaint and the Defence.

RESUMPTION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended since 9:00 a.m. on 9 January 2012. As all the Resumption Conditions have been fulfilled, the Company has made an application to the Stock Exchange for resumption of trading in the Adjusted Shares, including, *inter alia*, the Remuneration Shares and the Offer Shares with effect from 9:00 a.m. on 21 November 2018.

Save as disclosed in this announcement, there is no further insider information needs to be disclosed under Part XIVA of the SFO and Rule 13.09 of the Listing Rules.

For and on behalf of the Board
Mayer Holdings Limited
Lee Kwok Leung
Chairman and Executive Director

Hong Kong, 20 November 2018

As at the date hereof, the Board comprises three executive directors, namely Mr. Lee Kwok Leung, Mr. Xu Lidi and Mr. Lin Jinhe; one non-executive director, namely Mr. Wang Dongqi; and three independent non-executive directors, namely Mr. Lau Kwok Hung, Ms. Chen Yen Yung and Mr. Deng Shimin.

The English text of this announcement shall prevail over its Chinese text.