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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: 1116)

**MAJOR TRANSACTION
IN RELATION TO
THE ACQUISITION OF THE ENTIRE EQUITY INTEREST IN
HAPPY (HONG KONG) NEW CITY GROUP LIMITED
INVOLVING ISSUE OF PROMISSORY NOTE AND
CONSIDERATION SHARES UNDER SPECIFIC MANDATE**

THE ACQUISITION

The Board is pleased to announce that on 11 June 2019 (after trading hours), the Purchaser (as purchaser), the Company, the Vendor (as vendor) and the Guarantor (as guarantor) entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase from the Vendor and the Vendor has conditionally agreed to sell to the Purchaser the Sale Shares at the consideration of HK\$260 million, which shall be settled by cash, the issue and allotment of the Consideration Shares and the issue of the Promissory Note.

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and accordingly, the financial results of the Target Group will be consolidated into the accounts of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the requirements of reporting and announcement pursuant to Chapter 14 of the Listing Rules and the approval of the Shareholders under Chapter 14 of the Listing Rules.

The Company will seek the Shareholders' approval at the EGM for the grant of the Specific Mandate to allot and issue the Consideration Shares.

As the preliminary valuation of the Project Company has adopted the discounted cash flow method under the income approach, which is regarded as a profit forecast under Rule 14.61 of the Listing Rules, further disclosure will be made by the Company, in compliance with Rules 14.60A and 14.62 of the Listing Rules, in the circular to be despatched to the shareholders within 15 Business Days after the publication of this announcement.

GENERAL

The EGM will be convened to consider and, if thought fit, approve, among other things, (i) the Sale and Purchase Agreement and the transactions contemplated thereunder, and (ii) the Specific Mandate for the allotment and issue of the Consideration Shares.

A circular containing, among others, further details of (i) the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) the Specific Mandate; (iii) the valuation report of the Project Company; (iv) the financial information and other information of the Group and the Target Group; and (v) a notice convening the EGM, will be despatched to the Shareholders on or before 3 July 2019 in accordance with the Listing Rules.

The Acquisition is subject to a number of conditions precedents which may or may not be fulfilled. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE ACQUISITION

The Board is pleased to announce that on 11 June 2019 (after trading hours), the Purchaser (as purchaser), the Company, the Vendor (as vendor) and the Guarantor (as guarantor) entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase from the Vendor and the Vendor has conditionally agreed to sell to the Purchaser the Sale Shares at the consideration of HK\$260 million, which shall be settled by cash, the issue and allotment of the Consideration Shares and the issue of the Promissory Note.

The Sale and Purchase Agreement

Date : 11 June 2019

Parties : (1) the Purchaser;

(2) the Company;

(3) the Vendor; and

(4) the Guarantor. (collectively, the “**Parties**”, each a “**Party**”)

As at the date of this announcement, the Target Company is owned as to 100% by the Vendor. Upon completion of the Reorganisation, the Target Company will indirectly hold 49% equity interest in the Project Company.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner, and the Guarantor 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. The Sale Shares, representing the entire issued share capital of the Target Company, will be sold free from all encumbrances together with all rights to any dividend or other distribution declared, made or paid after the date of the Sale and Purchase Agreement.

Consideration

The Consideration payable for the Sale Shares of HK\$260 million shall be settled in the following manner:

- (i) the Purchaser shall pay HK\$20 million by cash as deposit (the “**Deposit**”) to the Vendor (or its nominee) upon execution of the Sale and Purchase Agreement;
- (ii) subject to the possible adjustment to the Consideration as set out in the below section headed “Consideration Adjustment”, the balance of the Consideration of HK\$240 million shall be settled as follows:
 - (a) as to HK\$158 million, which shall be settled by way of issue of the Promissory Note in the amount of HK\$158 million by the Purchaser to the Vendor (or its nominee) on Completion Date; and
 - (b) as to HK\$82 million, which shall be settled by way of allotment and issue of an aggregate of 410,000,000 Consideration Shares at the issue price of HK\$0.20 per Consideration Share by the Company to the Vendor (or its nominee) on Completion Date. The Consideration Shares shall be held by the Escrow Agent in accordance with the terms of the Sale and Purchase Agreement and the Escrow Agreement.

The Consideration was determined after arm’s length negotiations between the Parties on normal commercial terms taking into account of, among other things, (i) the preliminary valuation prepared by an independent professional valuer in relation to the fair value of 49% equity interest in the Project Company (the “**Valuation**”); and (ii) the future business prospects of the Project Company.

The Directors are of the view that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Promissory Note

Pursuant to the Sale and Purchase Agreement, the Purchaser will issue the Promissory Note in the principal amount of HK\$158 million to the Vendor (or its nominee) as partial payment of the Consideration at Completion.

The principal terms of the Promissory Note are summarised as follows:

Issuer:	the Purchaser
Noteholder:	the Vendor (or its nominee)
Principal amount	HK\$158 million
Maturity date:	31 March 2022 (the “ Maturity Date ”)
Interest rate:	3% per annum, interest payable semi-annually
Transferability:	The Promissory Note shall be freely transferrable or assignable by the Vendor to any persons (other than connected persons as defined in the Listing Rules) provided that the Vendor shall serve a prior written notice to the Purchaser of not less than ten (10) Business Days and the amount of each transfer shall not be less than HK\$1 million
Adjustment mechanism:	The principal amount of the Promissory Note shall be subject to the possible adjustment to the Consideration as described in the below section headed “Consideration Adjustment”

The Consideration Shares and the Issue Price

Pursuant to the Sale and Purchase Agreement, the Company will allot and issue, credited as fully paid, 410,000,000 Consideration Shares at the Issue Price to the Vendor (or its nominee), as partial payment of the Consideration.

The Consideration Shares represents:

- (i) approximately 23.46% of the entire issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 19% of the entire issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares.

The issue price of HK\$0.20 per Consideration Share represents:

- (i) a discount of approximately 21.56% to the closing price of the Shares of HK\$0.255 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 20% to the average closing price of the Shares of approximately HK\$0.25 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 20% to the average closing price of the Shares of approximately HK\$0.25 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 23.07% to the audited net assets value per Share of approximately HK\$0.26 based on the audited consolidated equity attributable to owners of the Company of approximately RMB335.26 million (equivalent to approximately HK\$445.90 million) as at 31 December 2018 and the issued share capital of the Company as at the date of this announcement of 1,748,000,000 Shares.

The Issue Price was determined after arm's length negotiations among the parties taking into account, among other things, the prevailing market performance of the Shares. The Directors consider that the Issue Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Consideration Shares will be allotted and issued under the Specific Mandate to be granted by the Shareholders at the EGM. The Consideration Shares shall rank *pari passu* in all respects with the Shares in issue on the date of allotment and issuance including the rights to all dividends, distributions and other payments made or to be made for which the record date falls or after the date of issuance and allotment.

An application will be made by the Company for the listing of, and permission to deal in, the Consideration Shares on the Stock Exchange.

Conditions precedent

Completion of the Sale and Purchase Agreement is conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

- (i) the Purchaser having completed the due diligence on the Target Group and is satisfied with the due diligence results of the various applicable approvals and licences, and the operations and management of the Target Group;
- (ii) the Purchaser and the Company having obtained all necessary approvals for the Sale and Purchase Agreement, including the approval from the Stock Exchange and the approvals from the directors and shareholders of each of the Purchaser and the Company (if applicable), and having complied with the Listing Rules and all laws and regulations applicable to the Purchaser and the Company;
- (iii) in respect of the issuance and allotment of the Consideration Shares, the Stock Exchange granting the listing of and permission to deal in the Consideration Shares;
- (iv) the relevant statutory procedures for the Reorganisation having been duly completed such that Zhongle City Renewal directly and indirectly (through Mingjishi) own an aggregate of 49% equity interest in the Project Company;
- (v) the relevant statutory procedures for the Projects Interests Assignment having been duly completed, including but not limited to obtaining the consent and confirmation of the relevant property owners and/or villagers in such projects; and
- (vi) all representations, warranties and undertakings given by the Vendor and the Guarantor as set out in the Sale and Purchase Agreement remain true and accurate.

Other than the conditions set out in (ii), (iii), (iv) and (v) above, the Purchaser may at its absolute discretion at any time waive in writing for all or any of the conditions. The Vendor cannot waive any of the conditions.

If the conditions set out in the Sale and Purchase Agreement have not been satisfied (or as the case may be, waived) on or before the Long Stop Date, the Sale and Purchase Agreement shall cease and determine (save and except causes stated in the Sale and Purchase Agreement which shall continue to have full force and effect), and (i) no party shall have any claim against any of the others, except in respect of any antecedent breach of the terms thereof; and (ii) the Vendor shall unconditionally refund the Deposit (without interest) to the Purchaser within three (3) Business Days from the Long Stop Date.

As at the date of this announcement, none of the above conditions precedent has been fulfilled.

Completion

Completion shall take place on the Completion Date. In the event that the Completion does not take place, and hence the Sale and Purchase Agreement is terminated, the Vendor shall unconditionally refund the Deposit (without interest) to the Purchaser within three (3) Business Days from the date of termination of the Sale and Purchase Agreement.

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and accordingly, the financial results of the Target Group will be consolidated into the accounts of the Company.

Consideration Adjustment

Upon Completion, the Purchaser shall engage its own auditors to audit the consolidated accounts of the Target Company and its subsidiaries for each of the three financial years after Completion (i.e. for the financial year ending 31 December 2019, 2020 and 2021 respectively). The Purchaser shall confirm to the Vendor the Accumulated Net Profit of the Target Company within five (5) Business Days after the auditors issue the auditor's report for the consolidated financial statements for the relevant financial year.

- (a) In the event that the Accumulated Net Profit reached or exceeded the Target Profit Level in any of the three financial years ending 31 December 2021, the Company and the Vendor shall jointly instruct the Escrow Agent to release the Consideration Shares to the Vendor or its nominee within ten (10) Business Days in accordance with the Escrow Agreement.
- (b) In the event that the Accumulated Net Profit recorded for the three financial years ending 31 December 2021 is less than the Target Profit Level but more than HK\$178 million, the Purchaser will be compensated by HK\$1 for each Hong Kong dollar (including less than a dollar) shortfall and the Consideration Shares to be released to the Vendor or its nominee shall be adjusted to such amount (the “**Adjusted Consideration Shares**”) using the formulae below:

The Adjusted Consideration Shares:

$410,000,000 \text{ Shares minus } \text{HK}\$(\text{Target Profit Level} - \text{Accumulated Net Profit})/\text{HK}\0.2

After confirming the Adjusted Consideration Shares, the Company and the Vendor shall jointly instruct the Escrow Agent to release the Adjusted Consideration Shares to the Vendor or its nominee within ten (10) Business Days. For the avoidance of doubt, in the event that the Accumulated Net Profit recorded for the three financial years ending 31 December 2021 is less than HK\$178 million, the Escrow Agent is not required to release any Consideration Shares to the Vendor.

- (c) In the event that the Accumulated Net Profit recorded for the three financial years ending 31 December 2021 equals to or is less than HK\$178 million but more than HK\$130 million, other than the non-issue of any Consideration Shares under paragraph (b) above, the Purchaser will be compensated by HK\$1 for each Hong Kong dollar (including less than a dollar) shortfall, whereby the Purchaser shall deduct the actual difference (in HK\$) between the Accumulated Net Profit and HK\$178 million from the outstanding Promissory Note and confirm the revised principal amount of the outstanding Promissory Note after the deduction (the “**Adjusted Promissory Note**”) to the Vendor. The Purchaser shall redeem the Adjusted Promissory Note and the relevant interest in accordance with the terms of the Promissory Note.
- (d) In the event that the Accumulated Net Profit recorded for the three financial years ended 31 December 2021 equals to or is less than HK\$130 million, other than the non-issue of any Consideration Shares under paragraph (b) above, the Purchaser is also not required to pay the Vendor for any outstanding amount and relevant interest of the Promissory Note and may exercise the Put Option granted by the Vendor.

In the event that there are any Consideration Shares which are not released to the Vendor or its nominee (the “**Remaining Consideration Shares**”) in accordance with the above consideration adjustment mechanism, the Remaining Consideration Shares shall be released to the Company in accordance with the Escrow Agreement, and the Company, the Purchaser or their respective nominees shall sell or dispose all or any of the Remaining Consideration Shares (in a way which is unilaterally considered appropriate) on behalf of the Vendor or its nominee (as the case maybe) without notifying the Vendor or obtaining authorisation from the Vendor. The Company, the Purchaser or their respective nominees shall be entitled to receive the proceeds from the sale or disposal of the Remaining Consideration Shares.

The conversion of RMB to HK\$ is determined based on the RMB exchange rate announced on the Business Day prior to the date on which the Purchaser confirms the Accumulated Net Profit to the Vendor.

Put Option

The Vendor agrees that in the event that the Accumulated Net Profit of the Target Company recorded for the three financial years ending 31 December 2021 equals to or less than HK\$130 million, the Purchaser is granted the right to exercise at any time during the Option Period the sale and transfer of the entire issued share capital of the Target Company (the “**Option Shares**”) to the Vendor at the Purchase Price (as defined below).

Both the Purchaser and the Vendor agree that the total consideration for the Vendor to purchase the Option Shares is the sum of all funds invested by the Purchaser into the Target Company in any form up to the date of the exercise of the Put Option (including but not limited to part of the Consideration actually paid to the Vendor under the Sale and Purchase Agreement and any loans provided by the Purchaser to the Target Group after Completion) (the “**Purchase Price**”). In any case, the Purchase Price shall not be less than HK\$20 million.

Upon the Purchaser's confirmation that the Accumulated Net Profit recorded for the three financial years ending 31 December 2021 equals to or is below HK\$130 million, the Purchaser may exercise the Put Option, at any time during the Option Period by giving at least one month's written notice to the Vendor (the "**Option Exercise Notice**"), in order to require the Vendor to purchase all the Option Shares at the Purchase Price. The Purchaser can only exercise the Put Option once for all Option Shares. Once the Option Exercise Notice has been issued, it constitutes an irrevocable legally binding responsibility for both parties. At the expiry of the Option Period, all rights and interests under the Put Options shall automatically lapse, and neither party shall have any rights to the other party or assumes any liabilities to the other party.

The Purchaser undertakes that if the date ending on the first month after the issuance of the Option Exercise Notice (the "**Closing Date**") is not a Business Day, the Closing Date will be postponed to the next Business Day, where all the Option Shares shall be duly transferred to the Vendor.

Information on the Target Group

The Target Company is a company incorporated in the BVI with limited liability, which is wholly-owned by the Vendor immediately prior to Completion. The Target Company is principally engaged in investment holdings and directly holds the entire issued share capital of the Hong Kong Company as at the date of this announcement.

The Hong Kong Company is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holdings. It directly holds 100% equity interest in the PRC Company as at the date of this announcement.

The PRC Company is a company established in the PRC with limited liability and directly holds 100% equity interest in Zhongle City Renewal as at the date of this announcement. Its business scope includes, among others, business management consulting, business information consulting and economic information consulting, which does not involve financial information.

Zhongle City Renewal is a company established in the PRC with limited liability. Zhongle City Renewal directly holds 100% equity interest in Mingjishi which, in turn, holds 20% equity interest in the Project Company as at the date of this announcement. Upon completion of the Reorganisation, in addition to the 20% equity interest held through Mingjishi, Zhongle City Renewal will also directly hold 29% equity interest in the Project Company, i.e. an aggregate of 49% equity interest in the Project Company. It is principally engaged in, among others, urban renewal project planning and consulting. It is currently a member unit of the Guangdong Province Old Town Old Factory Old Village Redevelopment Association, which is the first provincial “Three Old – Old Town, Old Factory, Old Village” redevelopment association in the PRC, initiated by enterprises and institutions engaged in the “Three Old” redevelopment industry and related fields as a bridge and link between the government and industry practitioners.

Mingjishi is a company established in the PRC with limited liability, which directly holds 20% equity interest in the Project Company as at the date of this announcement. Its business scope includes, among others, real estate consulting, real estate agency services, real estate development and property management.

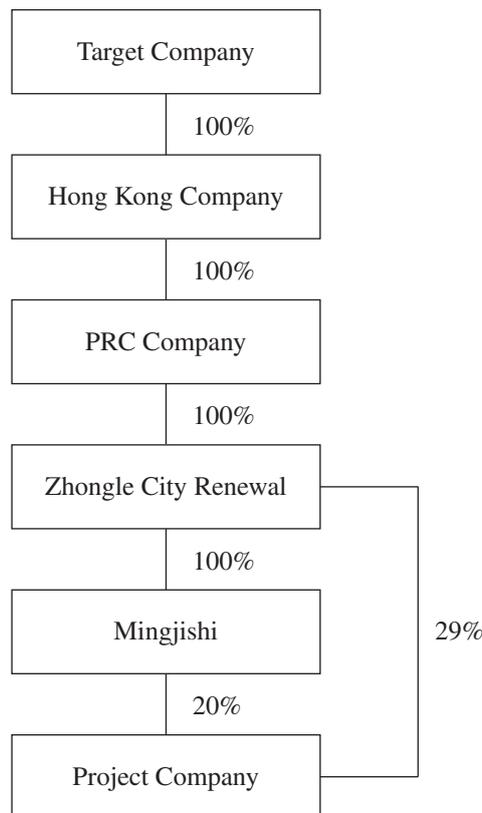
The Project Company is a company established in the PRC with limited liability and upon completion of the Reorganisation, an aggregate of 49% equity interest in the Project Company will be indirectly held by the Target Company. The remaining 51% equity interest in the Project Company is owned by a property developer in the PRC who is an Independent Third Party (the “**Property Developer**”) as at the date of this announcement. The Project Company was established for the purpose of the redevelopment project of Yuetang Village* (月堂村) located in Sanzhao Town, Jinwan District, Zhuhai (“**Yuetang Village**”).

The Project Company entered into a pre-work co-operation agreement (the “**Co-operation Agreement**”) with Jinwan District Sanzao Town Yuyue Village Yuetang Economic Cooperation Association* (金灣區三灶鎮魚月村月堂經濟合作社) in June 2018 in relation to the redevelopment project of Yuetang Village in particular, among others, the urban planning and consulting, and organising and preparing the demolition and resettlement compensation plan. The Project Company has been confirmed by the government authority of Sanzao Town as the preliminary work co-operation entity for the Yuetang Village redevelopment project.

Upon the obtaining of the State Land Use Permit* (國有土地使用證) from the government authority for the Yuetang Village redevelopment project, the Property Developer can, at its sole discretion, initiate a process of acquiring the 49% equity interest in the Project Company from the Target Company, and in such case the Target Company shall transfer its 49% equity interest in the Project Company to the Property Developer (the “**Equity Transfer**”).

The consideration of the Equity Transfer shall be referenced to (i) the saleable commercial housing construction area based on the floor area ratio to be approved by the Zhuhai government; (ii) the floor price to be agreed on by the parties; (iii) the total project cost for obtaining the saleable commercial housing construction area under the Yuetang Village redevelopment project, including but not limited to the pre-work expenses, relocation compensation and taxes, resettlement fees, relocation management fees, land prices and taxes, and the comprehensive construction costs of the relocation houses and the supporting properties of the relocation area; and (iv) any taxation expenses to be potentially incurred by the Project Company.

Shareholder Structure of the Target Group (upon completion of the Reorganisation)



Financial information on the Target Group

Set out below is the summary of the unaudited financial information of each of the members in the Target Group:

Target Company

The Target Company, being an investment holding vehicle, did not generate any revenue and profit for the period from 18 May 2018 (date of incorporation) to 31 December 2018.

The unaudited total assets and the unaudited net assets of the Target Company as at 31 December 2018 were approximately RMB69,000 and approximately RMB69,000, respectively.

Hong Kong Company

The Hong Kong Company, being an investment holding vehicle, did not generate any revenue and profit for the period from 20 April 2018 (date of incorporation) to 31 December 2018.

The unaudited total assets and the unaudited net assets of the Hong Kong Company as at 31 December 2018 were approximately RMB6,140,000 and approximately RMB6,140,000, respectively.

PRC Company

**For the period from
24 May 2018
(date of incorporation)
to 31 December 2018
RMB'000**

Revenue	–
Loss before tax	1
Loss after tax	1

The unaudited total assets and the unaudited net liabilities of the PRC Company as at 31 December 2018 were approximately RMB9,000 and approximately RMB1,000, respectively.

Zhongle City Renewal

	For the period from 2 June 2017 (date of incorporation) to 31 December 2017 <i>RMB'000</i> (unaudited)	For the year ended 31 December 2018 <i>RMB'000</i> (unaudited)
Revenue	–	–
Loss before tax	51	473
Loss after tax	51	473

The unaudited total assets and the unaudited net assets of Zhongle City Renewal as at 31 December 2018 were approximately RMB3,228,000 and approximately RMB1,678,000, respectively.

Mingjishi

	For the period from 29 December 2017 (date of incorporation) to 31 December 2017 <i>RMB'000</i> (unaudited)	For the year ended 31 December 2018 <i>RMB'000</i> (unaudited)
Revenue	–	–
Loss before tax	–	2
Loss after tax	–	2

The unaudited total assets and the unaudited net assets of Mingjishi as at 31 December 2018 were approximately RMB603,000 and approximately RMB603,000, respectively.

Project Company

**For the period from
24 January 2018
(date of incorporation)
to 31 December 2018**
RMB'000
(unaudited)

Revenue	–
Loss before tax	344
Loss after tax	344

The unaudited total assets and the unaudited net assets of the Project Company as at 31 December 2018 were approximately RMB2,656,000 and approximately RMB2,656,000, respectively.

Information on the Vendor

The Vendor is a company incorporated in the BVI with limited liability, which is wholly-owned by the Guarantor and holds the entire issued share capital of the Target Company as at the date of this announcement. The Target Company is principally engaged in investment holdings.

To the best of the Directors' knowledge information and belief, having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner, and the Guarantor is an Independent Third Party.

Information on the Group and the Purchaser

The Company is an investment holding company. The Group is principally engaged in the processing and manufacturing of steel sheets and steel pipes.

The Purchaser is principally engaged in investment holding and is a wholly-owned subsidiary of the Company.

Reasons for and benefits of the Acquisition

The Company considers the acquisition will diversify the Group's business into an emerging market in Zhuhai. Zhuhai's economy saw significant growth in 2018 with the industrial sector recording an average growth rate of approximately 10.7% in their six leading industries. The volume of imports and exports also grew at approximately 23.2% and 19.9% respectively between 2017 and 2018. In 2018, Zhuhai's real estate sector saw a growth of approximately 13.6% compared with 2017. Both the industrial and property sectors outperformed China's overall market. With several significant investments, developments and projects in progress or near completion, Zhuhai is expected to continue to experience high growth moving forward into and beyond 2019.

As a key part of the Greater Bay Area project, Zhuhai's government has poured significant investments into improving accessibility, accommodations, facilities and attractions for tourism, including (i) RMB360 million to improve transit infrastructure & cityscape; (ii) RMB330 million to support museums & cultural centers; (iii) RMB1.2 billion to improve & revitalise rural areas. Zhuhai is also heavily investing into industrial & logistics infrastructure, such as the Hong Kong – Zhuhai – Macau Bridge, upgrading the Gaolan port & Hengqin port, a new regional airport and the Zhuhai airport intelligent logistics park, in order to attract foreign investment and enterprises. Zhuhai and the central government's long term goal are to position Zhuhai as a premier tourist destination and as an industrial & logistics maritime hub.

Zhuhai's various investments, developments and projects in the Greater Bay Area will likely generate increasing demand for housing, office space and industrial & logistical capacity. The acquisition may potentially allow the Company to capitalise on any benefits of development of the Greater Bay Area.

Taking the aforementioned information into account, the Directors consider that the Acquisition, if materialised, represents a good opportunity for the Group to further diversify and enhance the profitability of the Group. Also, in consideration of the prospects of Zhuhai and the Target Group as mentioned above, the Board considers that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion and the allotment and issue of the Consideration Shares, for illustration purpose only:

	(i)		(ii)	
	As at the date of this announcement		Immediately upon Completion and the allotment and issue of the Consideration Shares	
	<i>No. of Shares</i>	<i>Approximate % of issued Shares</i>	<i>No. of Shares</i>	<i>Approximate % of issued Shares</i>
Aspial Investment Limited	460,000,000	26.32%	460,000,000	21.32%
Bumper East Limited	280,000,000	16.02%	280,000,000	12.97%
Vendor	–	–	410,000,000	19.00%
Public Shareholders	1,008,000,000	57.66%	1,008,000,000	46.71%
Total	<u>1,748,000,000</u>	<u>100.00%</u>	<u>2,158,000,000</u>	<u>100.00%</u>

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 25% but are less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the requirements of reporting and announcement pursuant to Chapter 14 of the Listing Rules and the approval by the Shareholders under Chapter 14 of the Listing Rules.

The Company will seek the Shareholders' approval at the EGM for the grant of the Specific Mandate to allot and issue the Consideration Shares.

As the preliminary valuation of the Project Company has adopted the discounted cash flow method under the income approach, which is regarded as a profit forecast under Rule 14.61 of the Listing Rules, further disclosure will be made by the Company, in compliance with Rules 14.60A and 14.62 of the Listing Rules, in the circular to be despatched to the shareholders within 15 Business Days after the publication of this announcement.

GENERAL

The EGM will be convened to consider and, if thought fit, approve, among other things, (i) the Sale and Purchase Agreement and the transactions contemplated thereunder, and (ii) the Specific Mandate for the allotment and issue of the Consideration Shares.

A circular containing, among others, further details of (i) the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) the Specific Mandate; (iii) the valuation report of the Target Group; (iv) the financial information and other information of the Group and the Target Group; and (v) a notice convening the EGM, will be despatched to the Shareholders on or before 3 July 2019 in accordance with the Listing Rules.

WARNING

The Acquisition is subject to a number of conditions precedents which may or may not be fulfilled. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Accumulated Net Profit”	the accumulated audited consolidated profit after tax (in HK\$) recorded by the Target Company after Completion
“Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement
“Board”	the board of Directors
“Business Day(s)”	a day on which the banks are open for business in Hong Kong (other than Saturday, Sunday and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
“BVI”	the British Virgin Islands
“Completion”	completion of the Acquisition
“Completion Date”	the fifth Business Day after all the conditions precedent of the Sale and Purchase Agreement have been fulfilled or waived (or such other date as the parties to the Sale and Purchase Agreement shall agree)
“Company”	Mayer Holdings Limited (美亞控股有限公司*), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange (stock code: 01116)

“Consideration”	HK\$260 million, being the consideration payable for the Sale Shares
“Consideration Share(s)”	410,000,000 new Shares to be issued by the Company to settle part of the Consideration
“Deposit”	has the meaning ascribed to it in the paragraph headed “Consideration”
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of, among other things, seeking approval from the Independent Shareholders in respect of (i) the Sale and Purchase Agreement and the transactions contemplated thereunder, and (ii) the Specific Mandate for the allotment and issue of the Consideration Shares
“Escrow Agent”	an Independent Third Party to be jointly appointed by the Vendor and the Company
“Escrow Agreement”	the escrow agreement to be entered into between the Purchaser, the Vendor, the Company and the Escrow Agent in respect of the holding of the Consideration Shares
“Greater Bay Area”	Guangdong-Hong Kong-Macau Bay Area, comprising cities in the Guangdong Province, Hong Kong and Macau
“Group”	the Company and its subsidiaries (from time to time)
“Guarantor”	Mr. Zhou Shi Hao (周世豪), an individual who is the beneficial owner of the Vendor
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hong Kong Company”	Happy (Hong Kong) New City Group Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by the Target Company as at the date of this announcement
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Issue Price”	the issue price of HK\$0.20 of each Consideration Share
“Last Trading Day”	11 June 2019, being the last trading day of the Shares before the signing of the Sale and Purchase Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 September 2019 (or such later date as the parties to the Sale and Purchase Agreement may agree)
“Mingjishi”	Zhuhai Mingjishi Real Estate Consultant Co., Limited* (珠海明基石地產顧問有限公司), a company established in the PRC with limited liability, which directly holds 20% equity interest in the Project Company as at the date of this announcement
“Option Period”	one (1) year from the day on which the Purchaser confirmed to the Vendor the Accumulated Net Profit for the three financial years ending 31 December 2021 equals to or less than HK\$130 million
“PRC”	the People’s Republic of China excluding Hong Kong, Macau Special Administration Region and Taiwan for the purpose of this announcement

“PRC Company”	Zhuhai Zhongle Huafeng Development Co., Limited* (珠海眾樂華豐發展有限公司), a company established in the PRC with limited liability and directly holds 100% equity interest in Zhongle City Renewal as at the date of this announcement
“Promissory Note”	the promissory note in the principal amount of HK\$158 million issued by the Purchaser to the Vendor (or its nominee) to settle part of the Consideration
“Projects Interests Assignment”	Zhongle City Renewal, as pre-cooperative enterprise, transfers its entire responsibilities, rights, interests and risks in four redevelopment projects to an Independent Third Party
“Project Company”	Zhuhai Hau Fa Yue Tang Property Development Limited* (珠海華髮月堂房產開發有限公司), a company established in the PRC with limited liability
“Purchaser”	Elate Ample Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Put Option”	the option granted by the Vendor to the Purchaser in respect of the sale and transfer of the entire issued share capital of the Target Company, details of which are set out in the section headed “Put Option” in this announcement
“Reorganisation”	Zhongle City Renewal to further acquire 29% equity interest in the Project Company, and upon completion of such acquisition, the Target Company will indirectly hold an aggregate of 49% equity interest in the Project Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 11 June 2019 entered into between the Purchaser, the Company, the Guarantor and the Vendor in relation to the Sale Shares

“Sale Shares”	10,000 shares of the Target Company of par value of US\$1.00 each, representing the entire issued share capital of the Target Company
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	a specific mandate to allot, issue or otherwise deal in additional Shares to be sought from the Shareholders who are entitled to vote and not required to be abstained from voting under the Listing Rules at the EGM to satisfy the allotment and issue of the Consideration Shares upon Completion
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Target Company”	Happy (Hong Kong) New City Group Limited, a company incorporated in the BVI with limited liability, which is wholly-owned by the Vendor immediately prior to Completion
“Target Group”	the Target Company and its subsidiaries (from time to time)
“Target Profit Level”	HK\$260 million, which equals to the Consideration
“Vendor”	Harbour Prestige International Limited (港威國際有限公司), a company incorporated in the BVI with limited liability, which is wholly-owned by the Guarantor

“Zhongle City Renewal”

Zhuhai Zhongle City Renewal Co., Limited.* (珠海眾樂城市更新有限公司), a company established in the PRC with limited liability. Zhongle City Renewal indirectly holds 20% equity interest in the Project Company through Mingjishi as at the date of this announcement. Upon completion of the Reorganisation, in addition to the 20% equity interest held through Mingjishi, Zhongle City Renewal will also directly hold 29% equity interest in the Project Company, i.e. an aggregate of 49% equity interest in the Project Company

“%”

per cent

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

Hong Kong, 11 June 2019

As at the date hereof, the Board comprises two executive directors, namely Mr. Lee Kwok Leung and Mr. Xu Lidi; one non-executive director, namely Mr. Wang Dongqi; and two independent non-executive directors, namely Mr. Lau Kwok Hung and Mr. Deng Shimin.

For the purposes of illustration only, any amount denominated in “RMB” in this announcement were translated into HK\$ at the rate of RMB1.00 = HK\$1.33. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.

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

* For identification purpose only