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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)

UPDATE ON MARKET MISCONDUCT TRIBUNAL'S DETERMINATION

This announcement is made by Mayer Holdings Limited (the “**Company**”) for the purpose of updating the Company’s shareholders (the “**Shareholders**”) and potential investors (the “**Potential Investors**”) on the recent developments in the MMT Proceedings concerning the Company and the 10 former directors and senior executive of the Company.

References are made to the (a) announcements of the Company dated 14 March 2016, 8 February 2017 and 6 April 2017 (the “**Announcements**”); and (b) the Management Discussion and Analysis section of each of the interim reports of the Company for the six months ended 30 June 2021 and the 12 months ended 31 December 2021 as well as the annual report of the Company for the 18 months ended 30 June 2022 in relation to the MMT Proceedings. Capitalized terms used herein shall bear the same respective meanings as defined in the Announcements unless otherwise stated.

Following the adjourned remitted hearing before the MMT commenced on 25 January 2022, the MMT issued a report dated 28 July 2023 making the following determinations:

1. the specific information particularised in the Notice and mentioned below is inside information (the “**Inside Information**”):
 - a. the resignation of the then auditors of the Company (the “**Auditors**”) on 27 December 2012;

- b. the Auditors' indication that they would issue a Potential Qualified Audit Report if the audit issues which the Auditors had identified in respect of, among others, the following transactions of the Company were not resolved. The transactions and the inside information in respect of them that should have been disclosed were:
 - i. the disposal of a wholly-owned subsidiary of the Company (the "**First Subsidiary**") for HK\$15.5 million, which was alleged by the Company to have been a sale of all the issued share capital of the First Subsidiary to a party and which the Auditors regarded as questionable; and
 - ii. the supply agreements that two subsidiaries of the Company's jointly controlled entity (the "**Subsidiaries**") entered into with two suppliers and the respective prepayments made by them of US\$10 million and US\$4 million, without security, to the suppliers, which appeared to the Auditors to be irrecoverable; and
 - c. the Auditor's concern that the prepayment of US\$10 million by one of the Subsidiaries to the supplier might be irrecoverable and/or lacked commercial substance;
- 2. the Company was subject to a disclosure requirement under section 307B of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "**SFO**") in respect of the Inside Information and breached that disclosure requirement; and
 - 3. the following former directors and senior executive of the Company, namely Chan Lai Yin, Tommy, Hsiao Ming-chih, Lai Yueh-hsing, Huang Jui-hsiang, Chiang Jen-chin, Xue Wenge, Li Deqiang, Lin Sheng-bin and Alvin Chiu also breached the disclosure requirement in respect of the Inside Information under section 307G(2) of the SFO.

It is expected that the MMT will hold a hearing on a date to be fixed to decide on the consequential orders to be imposed.

The Company will keep the Shareholders and the Potential Investors informed of any further material development in connection with the above by way of announcement(s) as and when appropriate.

By order of the Board
Mayer Holdings Limited
Lee Kwok Leung
Chairman and Executive Director

Hong Kong, 7 August 2023

As at the date of this announcement, the Board comprises five Executive Directors, namely Mr. Lee Kwok Leung (Chairman), Mr. Zhou Shi Hao, Mr. Chen Zhirui, Mr. Xiao Libo (Chief Executive Officer) and Dr. Cheung Ka Yue; one Non-executive Director, namely Mr. Lam Chung Chak; and three Independent Non-executive Directors, namely Mr. Lau Kwok Hung, Mr. Chan Chun Kit and Mr. Lu Jianping.

* *For identification purpose only*