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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)

## FULFILMENT OF ALL RESUMPTION GUIDANCE AND RESUMPTION OF TRADING

Financial Advisor to the Company

VEDA | CAPITAL  
智略資本

This announcement is made by Mayer Holdings Limited (the “**Company**”), together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 7 April, 27 and 5 March, 28 February and 27 January 2025, 30 December, 29 November, 27 September, 11 and 14 June, 17 April, 21 and 15 March, 22 and 14 February, 31, 26, 19, 15 and 3 January 2024 as well as 28 December, 30 November, 31 and 10 October, 29 September, 31 and 10 August and 15 June 2023 (collectively, the “**Announcements**”). Capitalized terms used herein shall have the same respective meanings as defined or adopted in the Announcements unless otherwise stated.

\* For identification purpose only

## **BACKGROUND**

### **The Allegations, the Disposal and the Investigation**

As set out in the announcement of the Company dated 15 June 2023, the Board received the following Allegations:

- (i) the Company was controlled by the Alleged Controller through several figureheads and Mr. Lee, former executive Director and chairman of the Board, and the Alleged Controller manipulated the trading of Shares;
- (ii) the Alleged Controller misappropriated funds of HK\$205 million from the Company;
- (iii) the Alleged Controller defaulted on the repayment of a borrowing from a company (which was subsequently acquired by and became a subsidiary of the Company after the borrowing took place), which then, due to lack of funding, caused delay in the progress of the redevelopment project in Yuetang Village, the PRC, held by such company; and
- (iv) there was a purposeful delay of a Board meeting by certain Directors and the company secretary of the Company.

Furthermore, on 29 November 2023, it came to the Board's attention that the Disposal, being the assignment of the right to inject RMB14.7 million (equivalent to approximately HK\$15.8 million based on an exchange rate of RMB1 to HK\$1.0750) into the registered capital of Zhuhai Mayer HuaFeng Development Co., Limited\* (珠海美亞華豐發展有限公司) ("**ZH HuaFeng**") at nil consideration, had been completed without authorization and/or approval from the Board.

In response, the Company formed the II Committee to investigate into the above matters. The Independent Investigator was appointed by the II Committee to carry out an investigation into the Allegations and Disposal (collectively, the "**Investigation**").

### **Resignations of the former Directors**

Following the resignations of (i) Mr. Chan Chun Kit as an independent non-executive Director (the "**INED**") on 18 January 2024, the Company did not meet the minimum number of INEDs as required under Rule 3.10(1) of the Listing Rules and the minimum number of members of the Audit Committee as required under Rules 3.21 of the Listing Rules; and (ii) Ms. Cheng Bo Kei Peggy as a non-executive Director on 10 March 2022, the Company was with a single gender board and was not in compliance with Rule 13.92 of the Listing Rules.

## **The Outstanding Financial Information**

Also set out in the Announcements, among other matters, the Company was unable to publish its financial results for the six months ended 31 December 2023 and 2024 and for the years ended 30 June 2023 and 2024 in accordance with Rules 13.49(1) and (2) of the Listing Rules as additional time was required for the Company to gather and provide the necessary documents and information requested by the Auditor, including but not limited to (i) the investigation report about the Allegations; (ii) the management accounts of the Happy Group for the six months ended 30 June 2023; and (iii) other related financial information of Happy Group.

## **The Resumption Guidance**

Trading in the Shares on the Stock Exchange was suspended since 9:00 a.m. on 29 September 2023. Under Rule 6.01(A) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the Company's case, it has to meet all its resumption guidance, remedy the substantive issues causing the suspension of trading in the Shares on the Stock Exchange (the "**Suspension**") and fully comply with the Listing Rules to the Stock Exchange's satisfaction. A full list of the Resumption Guidance is set out as follows:

- (a) Re-comply with Rules 3.10(1) and 3.21 of the Listing Rules;
- (b) Re-comply with Rule 13.92 of the Listing Rules;
- (c) Publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (d) Conduct an appropriate independent investigation into the Allegations, assess the impact on the Company's business operation and financial position, announce the findings and take appropriate remedial actions;
- (e) Demonstrate that there is no reasonable regulatory concern about the management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence;

- (f) Conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules;
- (g) Demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and
- (h) Inform the market of all material information for the Shareholders and the Company's investors to appraise the Company's situation.

The Board is pleased to announce that all the Resumption Guidance has been fulfilled as at the date of this announcement, details of which are set out in this announcement.

### **Fulfilment of all the Resumption Guidance**

#### ***(a) Re-comply with Rules 3.10(1) and 3.21 of the Listing Rules***

As set out in the announcement of the Company dated 26 January 2024, Mr. Du Ning has been appointed as an INED and a member of the audit committee of the Company (the "**Audit Committee**") with effect from 26 January 2024. Following the appointment of Mr. Du Ning as an INED and a member of the Audit Committee,

- (i) the Board comprises six members, including three INEDs, and the Company has fulfilled the minimum number of INEDs required by Rule 3.10(1) of the Listing Rules; and
- (ii) there are three members of the Audit Committee, and the Company has re-complied with the requirement of the minimum number of the Audit Committee members as prescribed in Rule 3.21 of the Listing Rules.

Accordingly, the Board is of the view that Resumption Guidance (a) has been fulfilled.

#### ***(b) Re-comply with Rule 13.92 of the Listing Rules***

As set out in the announcement of the Company dated 21 March 2024, Ms. Zhang Yana has been appointed as an executive Director with effect from 21 March 2024. Following the appointment of Ms. Zhang Yana as an executive Director, the Company has re-complied with Rule 13.92 of the Listing Rules.

Accordingly, the Board is of the view that Resumption Guidance (b) has been fulfilled.

**(c) Publish all outstanding financial results required under the Listing Rules and address any modifications**

The Company published its Outstanding Financial Results, including (i) the annual results for years ended 30 June 2023 and 2024; and (ii) the interim results for the six months ended 31 December 2023 and 2024 on 27 March 2025. Accordingly, all the outstanding financial results that are required to be published by the Company under the Listing Rules have been published.

The Auditor has conducted a thorough review of the Investigation Report and considers that the findings of the Investigation are adequate to enable them to conduct and complete the audit works of the consolidated financial statements of the Group. Based on the findings of the Investigation, the Auditor has determined that the Allegations do not have an impact on the Company's financial results.

The Audit Committee has thoroughly reviewed the findings of the Investigation Report and the audit procedures conducted by the Auditor. The Audit Committee is satisfied that the Auditor has conducted extensive audit procedures to address the audit issues related to the Allegations and the Disposal. These procedures included reviewing internal and external documentation to verify the transactions, evaluating the internal controls, obtaining audit confirmations and reviewing bank statements/bank records. The Audit Committee is of the view that the Auditor has addressed each audit issue arising from the Allegations and the Disposal and has provided a clear explanation of how these issues could be resolved. The Audit Committee is satisfied that the audit issues have been properly and fully addressed.

*Basis of Qualified Opinions (as set out in the Company's annual report for the year ended 30 June 2024)*

1. Accuracy and completeness of the interest in an Associate

*The Auditor was unable to satisfy itself as to the accuracy and completeness of the interest in Zhuhai Hua Fa Yue Tang Property Development Limited (the "Associate") as at 30 June 2023 and 2024.*

Following the completion of the disposal by the Company of the entire equity interest in Happy Group (the "**HG Disposal**"), the members of the Happy Group will be deconsolidated and will not have any impact on the Group's financial position as at 30 June 2025. Therefore, the Auditor has confirmed that this qualified opinion will be removed in the year ending 30 June 2025 ("**Year 2025**").

However, it is expected that the Auditor will issue a qualified opinion on the share of results for the period up to the date of the HG Disposal, as well as the impairment of interest in an associate and the relevant comparative figures for Year 2025 and the Auditor has confirmed that such modification is expected to be removed no later than the financial year ending 30 June 2027 (“**Year 2027**”).

2. Financial assets at fair value through profit or loss and consideration receivable

*Due to the facts that the re-development projects under the Happy Group are still at their preliminary stage and the Yuetang Village re-development project could not meet a designated target level, the Company is taking necessary actions for the compensation from the relevant vendor/guarantor. Accordingly, due to the fact that the outcomes of any actions taken by the Company are currently uncertain, the Auditor is unable to satisfy itself as to (i) whether the fair value of financial assets at fair value through profit or loss was reliably measured at 30 June 2023 and 2024; and (ii) the accuracy of the change in fair value recognized in profit or loss for the years ended 30 June 2023 and 2024; and (iii) the accuracy of the carrying amount of the consideration receivables as at 30 June 2024.*

Following the completion of the HG Disposal, the associated put option has lapsed and will no longer have any impact on the Group’s financial position. Therefore, the Auditor has confirmed that this qualified opinion will be removed in Year 2025.

Reference is made to the announcement of the Company dated 18 March 2025 and based on the audited consolidated financial statements of Happy (Hong Kong) New City Group Limited, a company incorporated in the BVI with limited liability, Happy Group has recorded an accumulated net profit of approximately HK\$14.4 million for the three financial years ended 31 December 2021, which is below the Target Profit Level. The Company is of the view that the payment liability under the Promissory Note has ceased pursuant to the 2019 SPA and the Consideration Shares will be released to the Company and the Company, the Purchaser or their respective nominees may sell or dispose of the Consideration Shares (in a way which is unilaterally considered appropriate) without notifying Harbour Prestige International Limited (the “**Vendor**”) or obtaining authorization from the Vendor and are entitled to receive the relevant proceeds. As the Consideration Shares are held by an escrow agent at escrow and have not been released to the Vendor, pursuant to the terms of the escrow agreement dated 26 November 2019, neither the Vendor nor its representatives can exercise any rights attached and pertaining

to these Shares, including but not limited to attending and voting as well as appointing proxies to attend and vote at any Shareholders' meetings. The Group has notified the Vendor and Mr. Zhou (the guarantor) in writing regarding the failure to achieve the guaranteed Target Profit Level, as well as the cessation of the Group's obligations under the Promissory Note. Currently, the Company is pursuing appropriate legal actions to recover all 410,000,000 Consideration Shares held in escrow and to claim damages against the Vendor and Mr. Zhou for breaches of the 2019 SPA and/or guarantee obligations.

During the audit for Year 2025, the Auditor will engage with management and legal counsel to provide updates on the progress of the ongoing legal proceedings. On the ground that there is no legal action taken by the Vendor and Mr. Zhou as at the date of this announcement to dispute (i) the cessation of obligations under the Promissory Note on the part of the Group; and/or (ii) the return of the Consideration Shares to the Company, the Auditor has confirmed that this qualified opinion will be removed for Year 2025. If there are any legal actions taken by the Vendor and/or Mr. Zhou against the Company, the Auditor is expected to issue a qualified opinion regarding the uncertainty in the cessation of obligations of the Promissory Note and the return of the Consideration Shares.

However, it is expected that the Auditor will issue a qualified opinion on the gain on compensation recognized in the profit or loss, as well as the relevant comparative figures of financial assets, and the consideration receivable for Year 2025 and the Auditor has confirmed that such modification is expected to be removed no later than Year 2027.

### 3. Prepayments and trade receivables

*The Company carried out the Investigation and the Independent Investigator was unable to obtain sufficient evidence to substantiate the commercial substance of the payment and receipt arrangement of prepayment for purchase of steel during the years 2019 and 2020 as well as the payment arrangement of the prepayments to service providers during the years 2019 and 2020. There is no alternative procedure that could be performed by the Auditor to satisfy itself as to the commercial substance of the said prepayments and trade receivables. Due to inconsistent information provided by the then management, namely, Mr. Zhou and Mr. Chen, the Auditor was unable to ascertain the nature of the relevant prepayments and trade receivables as at 30 June 2023 and 2024.*

The prepayments made by the Group to the Service Providers and for the steel purchase were fully impaired through the full impairment of the Company's prepayment and trade receivable for the year ended 30 June 2023. Following the completion of the HG Disposal, there will not be any impact on the Group's financial position as at 30 June 2025. Therefore, the Auditor has confirmed that this qualified opinion will be removed in Year 2025.

However, it is expected that the Auditor will issue a qualified opinion on the impairment for prepayment, trade receivables and the relevant comparative figures in Year 2025 and the Auditor has confirmed that such modification is expected to be removed no later than Year 2027.

4. Consolidation of ZH HuaFeng and insufficient accounting records

*In light of the Disposal (which the Board deemed such transaction was unauthorized and ineffective), the Group has taken legal actions against Mr. Zhou and Mr. Chen to recover potential losses. As the outcome of any legal actions is uncertain, the Auditor was unable to ascertain whether the Group has an effective control over ZH HuaFeng and whether its relevant results and latest financial position should be de-consolidated from the Group's. Furthermore, since the accounting books and records of ZH HuaFeng and its subsidiaries have not yet been obtained by the Group, due to insufficient supporting and documentation and explanations for accounting books and records in respect of ZH HuaFeng for the years ended 30 June 2023 and 2024, the Auditor was unable to carry out audit procedures to satisfy itself (i) the accuracy, existence and completeness of the relevant financial information for the years ended 30 June 2023 and 2024 of ZH HuaFeng; and (ii) whether they have been accurately recorded and properly accounted for in the consolidated financial statements of the Group.*

Following the completion of the HG Disposal, the financial results of ZH HuaFeng and its subsidiaries will not have impact on the Group's financial position as at 30 June 2025. Therefore, the Auditor has confirmed that this qualified opinion will be removed in Year 2025.

However, it is expected that the Auditor will issues a qualified opinion on the financial performance of ZH HuaFeng and its subsidiaries up to the date of the disposal, along with the comparative figures for Year 2025 and the Auditor has confirmed that such modification is expected to be removed no later than Year 2027.



5. Consolidation of Shenzhen Hei Jing Photoelectric Technology Co., Limited (“**Hei Jing**”)

*Through using a suspected forgery seal, a former Director disposed of a 51% equity interest in Hei Jing at a total cash consideration of RMB5.3 million (the “HJ Disposal”). The Company instigated a legal action to rescind the HJ Disposal and to resume the ownership of the 51% equity interest in Hei Jing. As a result, the financial results for the year ended 30 June 2023 and 2024 and the financial positions as at 30 June 2023 and 2024 of Hei Jing were consolidated in the Group’s consolidated financial statements and the relevant consideration of the HJ Disposal received by the Group was included in other payables. As the outcome of the said legal action is uncertain, the Auditor was unable to ascertain the ownership status of Hei Jing and whether its relevant results and financial position should be consolidated into the Group’s or whether such consideration was correctly accounted for. Furthermore, due to insufficient supporting and documentation and explanations for accounting books and records in respect of Hei Jing for the years ended 30 June 2023 and 2024, the Auditor was unable to carry out audit procedures to satisfy itself as to whether the relevant financial information for the years ended 30 June 2023 and 2024 as included in the consolidated financial statements of the Group have been accurately recorded and properly accounted for in the consolidated financial statements.*

The Company has recently received the judgment to dismiss the Group’s claim to rescind the subject transfer of equity interest agreement to regain the control over Hei Jing. As the Company currently does not consider pursuing any further actions, Hei Jing will be de-consolidated and will have no impact on the Group’s financial position as of 30 June 2025. Therefore, the Auditor has confirmed that this qualified opinion will be removed in Year 2025.

However, it is expected that the Auditor will issues a qualified opinion on the loss on deconsolidation of Hei Jing and the relevant comparative figures in Year 2025 and the Auditor has confirmed that such modification is expected to be removed no later than Year 2027.

The Board and the Audit Committee are of the view that the abovementioned plans are feasible and sufficient to address all the above audit modifications. Save for the audit modifications described in the above, the Auditor considers that the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

In light of the foregoing, the Board is of the view that Resumption Guidance (c) has been fulfilled.

***(d) Conduct an appropriate independent investigation into the Allegations, assess the impact on the Company’s business operation and financial position, announce the findings and take appropriate remedial actions;***

The Independent Investigator has completed the Investigation and has issued the Investigation Report setting out its findings.

The findings of the Investigation were arrived at by the Independent Investigator after (i) data analysis and document review; (ii) interviews with relevant personnels; (iii) independent background checks; (iv) confirmations and site visits; (v) specific internal control assessment; and (vi) computer forensic review, but the extent of the Investigation was limited by the Limitations, including but not limited to the followings,

- The Independent Investigator could not directly verify and confirm the representations made by certain individuals it had interviewed (the “**Interviewees**”) that contain inconsistencies with those previously made and could not obtain sufficient evidence to draw certain conclusions on the Allegations.
- The Independent Investigator could not obtain some of the contemporaneous records and documents it requested and considered material, which prevented the Independent Investigator from ascertaining some of the facts surrounding the irregular transactions or the extent of certain former Directors’ involvement in the Allegations.
- The Independent Investigator could not obtain evidence to demonstrate that certain Interviewee was in a proper capacity to represent certain Service Providers that had entered into agreements with the subsidiaries of the Company.

- The Independent Investigator could not (i) complete the fund-flow tracking under Issue 2 and Issue 3 as some of the relevant transactions involved third parties outside the Group and some relevant documents could not be obtained for verification purposes; and (ii) fully complete the independent individual searches on the relevant parties involved.
- The Independent Investigator was unable to obtain, including but not limited to, Wechat records and positive responses from some key personnel to conduct complete interviews and could not conduct a computer forensics examination with Mr. Zhou and Mr. Chen (former Directors) as they were not assigned with corporate electronic devices.

Key findings of the Investigation are set out in the announcement of the Company dated 27 March 2025 (the “**Investigation Announcement**”) and are summarized in the table below:

| <b>Allegations/Disposal</b> | <b>Conclusions (subject to the Limitations)</b>  |
|-----------------------------|--|
| Issue 1                     | The Independent Investigator has not found evidence that the Alleged Controller directed the relevant parties to manipulate or conduct trading in the Shares as alleged  |
| Issue 2                     | <p>There was no evidence to the Independent Investigator showing that the Alleged Controller participated in any parts of the Purported Master Purchase Agreement or subsequent payment arrangements or misappropriation of funds as alleged.</p> <p>However, in respect of the Purported Master Purchase Agreement, the Independent Investigator (i) noted that the terms of the Purported Master Purchase Agreement were not executed accordingly; (ii) considered that there was insufficient evidence to show that background checks or due diligence had been conducted by the Company; (iii) could not verify the commercial rationale and the execution arrangement involved in the Purported Master Purchase Agreement; and (iv) identified certain internal control deficiencies.</p> |

In respect of the Service Agreements, the Independent Investigator (i) identified that the Company paid a total of HK\$108 million to the designated recipients between December 2019 and February 2020 in relation to the Service Agreements but did not have sufficient documents or information to fully determine the subsequent flow of these funds as well as whether or not the subject services were delivered to the Group; (ii) was unable to obtain documentary evidence showing that the then Directors had conducted sufficient due diligence before effecting certain payments; (iii) was unable to confirm the co-ordination between the Group and the Service Providers as well as the background or circumstances and commercial rationale leading to the entering into and the execution status of the Service Agreements signed between the relevant subsidiaries of the Company and the Service Providers; (iv) unable to locate and confirm whether the Service Providers were in operation; and (v) identified certain internal control deficiencies.

### Issue 3

The Independent Investigator was of the opinion that the reasons for the delay or suspension of the redevelopment of the Yuetang Village included the emergence of the COVID-19 pandemic and certain adjustments in national policies and there was insufficient evidence suggesting that the Alleged Controller had borrowed funds from Happy BVI or Happy HK or caused delays in the redevelopment of the Yuetang Village. Certain internal control deficiencies were also identified by the Investigation in relation to this issue.

Potential round-robin  
funds issue

In the process of performing fund-tracking procedures under Issue 2 and Issue 3, the Independent Investigator suspected that, among others, Happy HK could have used the funds collected from the Service Providers (that may have been originated from the service fees related to the Service Agreements in Issue 2) and the payments made by the Company for the redevelopment of the Yuetang Village (related to Issue 3) as refunds for the steel payments to the Company and there may have been potential round-robin funds issues under certain assumptions made by the Independent Investigator.

Issue 4

The Independent Investigator did not find evidence that the then chairman of the Company or the company secretary of the Company had intentionally delayed the convening of any Board meetings. However, the Independent Investigator had identified certain internal control deficiencies in relation to this issue.

Issue 5 (the Disposal)

The Independent Investigator did not find any evidence that the Board had reviewed the subject transactions of this issue or convened any shareholders' meetings to pass any resolution relating to the Disposal but identified certain internal control deficiencies relating to this issue.

The Board (including the II Committee) has reviewed the contents and the findings of the Investigation in the Investigation Report. The Board (including the II Committee) considers that despite the limitations as set forth in the Investigation Announcement, the Independent Investigator has, to the extent possible, performed appropriate alternative procedures to address the said limitations and the contents and the findings of the Investigation are (i) reasonable and acceptable, and have adequately addressed the each of the issues relating to the Allegations and the Disposal; and (ii) sufficient enough for the Board (and the II Committee) to identify the facts and circumstances that lead to the Allegations and the Disposal. Furthermore, the Auditor had also agreed that the findings of the Investigation Report is adequate for it to complete the audit works for the outstanding consolidated financial statements of the Company.

In the assessment of the Board, the Board is of the view that the operations of the Group remain normal and the Allegations and the Disposal have no material adverse impacts on the financial position of the Group as the Independent Investigator concluded that there was no indication that any of the Allegations was substantiated, and did not find any evidence that the Board had reviewed the Disposal or convened any shareholders' meetings to pass such resolutions. The Allegations only concern the Group's past transactions but not any of its ongoing transactions. The Group's business operations continue as usual.

Although the Independent Investigator had suspected that there could have been potential round-robin fund flows from the Company's net cash outflow of HK\$133 million, there were no direct and/or insufficient evidences for it to confirm and verify such matters and the potential misappropriation of assets of the Company completely. The Board (including the II Committee) concurred with the view of the Independent Investigator after reviewing the findings in the Investigation Report and has taken possible remedial actions promptly, which will be further discussed in the section below.

The Independent Investigator has also performed an assessment on management integrity and/or integrity of any persons with substantial influences over the Company's management and operations, which will be discussed in the next section and had identified certain internal control deficiencies during the process of the Investigation. The Company has also engaged the IC Advisor to conduct the IC Review. Please refer to the section headed “(d) – *conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules*” in this announcement.

### *Remedial actions taken/to be taken by the Company*

In response to the findings of the Investigation Report (including but not limited to the suspected potential round-robin flows) and the suggestions contained in the legal opinions from the legal advisors of the Company, the Board has taken/will be taking, among others, the remedial actions set out in the Investigation Announcement and summarized as below.

- Suspended the responsibilities and duties of Mr. Zhou and Mr. Chen, who were the main responsible persons in charge of the projects of the Group at the material time that were involved in the matters relating to the Allegations and the Disposal and taken legal actions based on the findings of the Investigation Report such as, filing a writ of summon with the High Court of the Hong Kong Special Administrative Region with an indorsement of claim for damages to be assessed (as set out in the announcement of the Company dated 6 October 2023) that include, but not limited to, the recovery of the prepaid service fees of HK\$108 million paid by the Group to the Service Providers under the Service Agreements;
- Based on the suggestions of the legal advisors obtained by the II Committee and as stated in the announcement of the Company dated 18 March 2025, as the Happy Group's performance was unsatisfactory below a designated profit level set out under the 2019 SPA, the Company will not be subject to the payment obligations under the Promissory Note and is in the course to retrieve all the 410,000,000 Consideration Shares which are currently held in escrow (both the Promissory Note and the Consideration Shares were issued as part of the consideration for acquiring the Happy Group in 2019). The primary assets held by Happy Group, being (i) interest in an associate company engaged in the re-development of Yuetang Village; and (ii) certain prepayments and trade receivables, had been fully impaired (as set out in the announcement of the Company dated 5 March 2025), which resulted in a one-off loss of the Group due to a provision for impairment loss in respect of its investment in the Happy Group for the financial year ended 30 June 2023. It is expected that the Consideration Shares, upon retrieval, may be sold and/or disposed in a way which is unilaterally considered appropriate by the Company and the Company is entitled to the relevant proceeds which may lead to a one-off gain to the Group;

- Considered that both Mr. Lee and Mr. Lin Jinhe (“**Mr. Lin**”), key management members of the Group at the material time, were both deemed incompetent at their respective roles in the Group, the Company reserved its legal rights and had accepted their respective resignation requests. As at the date of this announcement, both Mr. Lee and Mr. Lin have resigned from all their respective positions within the Group so that all the relevant members of the senior management of the Group involving in the Purported Master Purchase Agreement and the Service Agreements at the material time have resigned from their respective positions within the Group and the Board has identified new professional members, to replace the relevant vacancies, to form a new Board and management team;
- Filed a lawsuit in June 2024 against the Company’s supplier at the material time for the repayment of the outstanding prepayments made for steel purchases;
- Based on the findings of the Investigation Report, the Board has reported the suspected round robin fund flows matters to the Hong Kong police;
- Engaged the IC Advisor to enhance the internal control policies of the Group in light of the identified internal control deficiencies identified by the Independent Investigator in respect of the Allegations and the Disposal. The Company has taken all of the advices and rectification recommendations from the IC Advisor, and adopted, revised and/or enhanced, as the case may be, the relevant policies and procedures of the Company to prevent the recurrence of similar issues;
- As the members of the Happy Group have demonstrated material internal control deficiencies that will potentially affect the development of the Group, the Board has completed the HG Disposal and no longer has any concerns that the Company will not be able to safeguard its interests in the Happy Group nor procure the Happy Group to comply with the requirement of the Listing Rules; and
- Continued to work with the Auditor to complete the audit works for the outstanding consolidated financial statements of the Company to address the relevant Resumption Guidance and to achieve resumption of trading in the Shares on the Stock Exchange.



Having reviewed the findings and results of the Investigation Report and the relevant legal opinions obtained from respectively legal advisors from the PRC and Hong Kong by the II Committee, the Board (including the II Committee) is of the view that, based on available information and evidences, the remedial actions taken/to be taken by the Company are adequate as well as in the interests of the Company and the Shareholders as a whole.

In light of the foregoing, the Board is of the view that Resumption Guidance (d) has been fulfilled.

- (e) ***Demonstrate that there is no reasonable regulatory concern about the management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence;***

The II Committee has thoroughly assessed the integrity, competence, and character of the Group's management and persons with substantial influence over the Company's management and operations.

The II Committee noted that the Investigation found that none of the Allegations against the Company and its management were substantiated. It is also noted that the Independent Investigator could not verify and confirm, but had suspected, that there had been issues related to the potential round-robin fund flows. After thorough consideration, both the II Committee and the Board have concurred with the view of the Investigator and have immediately sought for legal advices from its legal advisors from both Hong Kong and the PRC on potential legal actions that can be taken on these matters. The Board had then taken such suggested recommendations and actions accordingly. Save for suspecting the above potential issues, there were no direct evidences and/or findings suggesting that any other fraud, theft, other types of dishonesty or fraudulent activities had been committed; neither were there any concern regarding breaches of securities law, rules or regulations, or the integrity of any of the Directors or members of the senior management.

Correspondingly, the II Committee also considered the competence of the Group's management in light of the Allegations and the Disposal. After reviewing the findings of the Investigation Report, the II Committee has concurred with the Independent Investigator that there is no evidence to doubt the integrity of the management of the Group, except that both Mr. Lee and Mr. Lin, members of the senior management of the Group and/or GZ Mayer, lack competence in their respective positions within the Group, primary due to their trusts in and reliance on the judgments and recommendations of other former senior management. As at the date of this announcement, each of Mr. Xu, Mr. Lee and Mr. Lin has resigned from all roles and responsibilities within the Group while the roles as directors of the Group of Mr. Zhou and Mr. Chen have been suspended and removed. Upon completion of the HG Disposal, each of Mr. Zhou and Mr. Chen no longer has any influence on the operations of the Group.

In light of the above issues, there were certain changes on the composition of the Board and the Company has appointed several new Directors to strengthen leadership, namely (i) Mr. Du Ning, with more than 20 years of legal experience, has been appointed as an INED with effect from 26 January 2024 (he was also appointed as a member of each of the Audit Committee and the II Committee); (ii) Ms. Zhang Yana, with more than 15 years of working experience and is familiar with processes and operating models of listed enterprises, has been appointed as an executive Director with effect from 21 March 2024; and (iii) Mr. Ip Yun Kit, who holds a Doctor of Management from the Southern Cross University in Australia and with extensive knowledge on management, has been appointed as an executive Director with effect from 12 June 2024.

Taking into account their regular interactions with the new Directors and remaining management of the Company, the II Committee considers that they have demonstrated good character by acting honestly and in good faith in the interests of the Company and the Shareholders as a whole. They have actively responded to all queries raised by the Stock Exchange and provided the necessary information and assistance to facilitate the preparation and issuance of the requisite reports and ensured that all actions taken are aligned with the Company's strategic objectives and are for proper purposes. This level of cooperation and transparency further reinforces the management's character.

While some internal control deficiencies were identified by the Independent Investigator and the IC Advisor, the Company has taken all necessary remedial actions to address those issues promptly. The IC Advisor has confirmed that the Company has implemented all the recommended remedial measures in its IC Report.

The abovementioned strategic change ensures that the Company's leadership team is well-equipped to navigate the evolving business landscape and drive the Company forward. The composition of the Board has been restructured to bring in fresh perspectives and expertise. The new Board members bring a wealth of experience and knowledge, enhancing the overall governance and strategic direction of the Company. Their diverse backgrounds and expertise in various fields, such as law, corporate governance, finance, and management, contribute to a more robust and dynamic leadership team. This restructuring underscores the Company's commitment to maintaining the required standards of integrity, competence, and character, fostering a culture of transparency, accountability, and ethical decision-making. These changes are expected to have a positive impact on the Company's performance, enabling it to better address challenges and seize opportunities in the market.

The II Committee is of the view that the Company has demonstrated its commitment to maintaining the required standards of integrity, competence, and character within its management team. It is emphasized that the current composition of the Board is different from that during the material time of the Allegations and that none of the Directors was involved in any incidents that could raise serious doubt as to their suitability to act as Directors.

Through rigorous independent assessments, prompt remedial actions, as well as ongoing monitoring and evaluation, the Company has ensured that there are no reasonable regulatory concerns that may pose a risk to investors or damage market confidence. Accordingly, the Board is of the view that Resumption Guidance (e) has been fulfilled.

***(f) Conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules;***

The IC Advisor has completed the IC Review and identified a number of internal control deficiencies for the Group. The Company has then designed and implemented the remedial measures suggested by the IC Advisor. During mid-July 2024 and August 2024, the IC Advisor conducted a follow-up review to assist the Board and the II Committee to assess the effective implementation of remedial measures by the Company, and has issued a report of its finding in the IC Report. Key findings of the IC Report are set out in an announcement of the Company dated 27 March 2025.

The issues identified by the IC Advisor (including those identified by the Independent Investigator) which are considered as material are related to, including but not limited to, (i) Board meeting procedures and provision and use of information; (ii) audit, internal control and risk management; (iii) confirmation and supervision of discloseable transactions and connected transactions; (iv) frequency, timing and mode of communications and information source; (v) distribution of interim/annual reports and publication of results announcements; (vi) system related to the purchase and sale of investment projects; (vii) internal approval procedures for approving investment projects (including signing of agreements, compliance registration and payment records); (viii) supervision of investment projects (including completion and subsequent monitoring); (ix) supplier selection and information management; (x) approval for entering into major procurement contracts and contract management; (xi) processing and approval of payments, advances and deposits (including assessment of recoverability at the time of payment); (xii) procedures for purchase of fixed assets; (xiii) fixed asset management and protection; (xiv) management of opening, maintenance and termination of bank accounts; (xv) bank reconciliation; (xvi) custody and management of seals; (xvii) formulation of accounting policies and procedures; (xviii) periodic financial closing procedures; (xix) budgeting process, and budget monitoring, supervision and updates; (xxi) financial analysis and variance analysis; and (xxii) tax compliance monitoring.

The IC Advisor has confirmed in the IC Report that remedial measures have been implemented to address all identified internal control deficiencies. The IC Report also stated that the remediation has mitigated the risks associated with the identified deficiencies in the Company's internal control system. In particular, the IC Advisor has reviewed various policies, guidelines and sample documents of the Company and the IC Review has covered the Group, including all the Company's major operating subsidiaries as at the date of this announcement.

The Board (including the II Committee) has reviewed the contents and findings of the internal control system of the Company in the IC Report. It was noted that the management of the Company acknowledged and agreed with the review results of the IC Advisor. The Company has taken all of the advices and rectification recommendations from the IC Advisor, and adopted, revised and/or enhanced, as the case may be, the relevant policies and procedures of the Company.

Having considered the IC Report and the remedial measures taken by the Company, the Board is of the view, which the II Committee has concurred, that (a) all the internal control deficiencies identified in the Investigation Report and the IC Report have been fully addressed with appropriate recommended rectifications; (b) the remedial measures implemented by the Company are adequate and sufficient; and (c) the Company has in place adequate and reliable governance, internal control and financial reporting systems and procedures to fulfill its obligations under the Listing Rules.

Furthermore, the Board (including the II Committee) will continue to monitor the effectiveness of the Company's internal control systems and procedures so as to meet its obligations under the Listing Rules and ensure reasonable and adequate internal control policies and procedures are in place and commensurate with its business operations.

In light of the foregoing, the Board is of the view that Resumption Guidance (f) has been fulfilled.

***(g) Demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and***

The subsidiaries of the Company (excluding the members of the Happy Group that are engaged in urban renewal project planning and consulting in the PRC and whose operations are currently suspended) are principally engaged in manufacture and sales of steel pipes, steel sheets and other steel products (the "**Steel Business**"). The Steel Business was not affected and has been operating as usual in all material respects notwithstanding the Suspension. For the reasons set out below, the Board considers that the Company has all along maintained a sufficient level of operation and assets of sufficient value and a stable level of profitability in compliance with Rule 13.24 of the Listing Rules.

The Group, through GZ Mayer, manufactures a wide range of steel sheets and pipes (i.e. hot rolled steel sheets, cold rolled steel sheets, electrolytic zinc-coated steel sheets, stainless steel sheets, hot rolled steel tubes, cold rolled steel tubes and stainless steel tubes) and these steel products can be used in the manufacture of a great variety of products, including but not limited to 3C (Computing, Consumer Electronics and Communication) products, sport equipment, as well as spare parts of home appliances and motor vehicles. Over the years, among other things, GZ Mayer has (i) established a mature network of customers and suppliers that secures the Group with quality supplies, stable demand and low risk of default payment; (ii) established its production base strategically with easy access to most of the locations around the Pearl River Delta in the PRC that allows the Group to achieve prompt and responsive delivery of quality products to its customers within the region; (iii) comprised of advanced complete production facilities such that the products of GZ Mayer are able to satisfy the standards of Japan, United States, Germany and the PRC; (iv) invested in new intelligent automatic equipment to enhance its production quality and efficiency to maintain its leading position in the industry in terms of production technology. GZ Mayer has obtained a number of accolades such as the certificates for Recommended Products of Green and Energy-Saving, China Construction Projects Recommended, High and New Tech Enterprises Recognition and Enterprise Credit Evaluation Credit Grade AAA Enterprise.

The Group's revenues for the two years ended 30 June 2023 and 2024 were solely attributed from the Steel Business. The table below sets out the financial performances of the Steel Business based on the consolidated financial statements of the Group for the years ended 30 June 2023 and 2024 and for the six months ended 31 December 2023 and 2024.

|                                 | <b>Revenue</b><br><i>(RMB)</i> | <b>Segment<br/>Profit</b><br><i>(RMB)</i> |
|---------------------------------|--------------------------------|---|
| <b>For the years ended</b>      |                                |   |
| 30 June 2023                    | 538,163,000                    | 15,237,000                                |
| 30 June 2024                    | 714,408,000                    | 12,225,000                                |
| <b>For the six months ended</b> |                                |   |
| 31 December 2023                | 370,017,000                    | 9,083,000                                 |
| 31 December 2024                | 395,186,000                    | 6,964,000                                 |

Moreover, the Group recorded total assets of approximately RMB614.8 million and net assets of approximately RMB112.7 million as at 31 December 2024.

On the other hand, the Group is currently expanding its business with the development of applications of phase change energy storage material(s) (“PCM”) with environmental related technologies (the “PCM Business”). With reference to the Company’s announcements dated 30 September 2024 and 26 September 2023, the PCM Business will be able to adopt into various industrial and agricultural applications that strives for environmental protection and energy saving and the products and/or solutions developed by the Group have been applied in, among others, (i) refrigeration systems; (ii) air-conditioning systems; (iii) waste heat recovery systems; and (iv) greenhouse monitoring and controlling technologies for the agricultural sector. The Group has also secured cooperations from local and national governments and these strategic partners have been supporting the Group’s research on renewable energy storage solutions. Currently, the Group has established production lines for the manufacturing of PCM and is operating commenced the PCM Business to generate more revenues to the Group.

In light of the above, the Board is of the view that the Group is able to meet the requirement under Rule 13.24 of the Listing Rules.

***(h) Inform the market of all material information for the Shareholders and the Company's investors to appraise the Company's situation.***

Since the Suspension, the Company has been updating the Shareholders and potential investors of the Company on a regular basis and publishing all material information on a timely basis to keep the Shareholders and the market informed of the Group's status and latest developments.

The Board believes that the Company has announced all material information it considers necessary and appropriate for the Shareholders and the potential investors of the Company to appraise the Company's situation and is therefore of the view that Resumption Guidance (h) has been fulfilled.

## **RESUMPTION OF TRADING**

As illustrated above, the Company has fulfilled all the Resumption Guidance.

Trading in the Shares on the Stock Exchange has been suspended since 9:00 a.m. on 29 September 2023. As the Resumption Guidance has been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 9 May 2025.

By order of the Board  
**Mayer Holdings Limited**  
**Ip Yun Kit**  
*Chairman and Executive Director*

Hong Kong, 8 May 2025

*As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Ip Yun Kit (Chairman), Mr. Cheung Ka Yue (Chief Executive Officer) and Ms. Zhang Yana; and three Independent Non-Executive Directors, namely Mr. Lau Kwok Hung, Mr. Lu Jianping and Mr. Du Ning.*