
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Mayer Holdings Limited, you should at once hand the Prospectus Documents to the purchaser, the transferee or to the bank, licensed securities dealer, registered institution in securities, or other agents through whom the sale or transfer was effected for transmission to the purchaser or transferee. Dealings in the Offer Shares may be settled through CCASS established and operated by HKSCC. You should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers for details of the settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, together with copies of the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of these documents.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

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



美亞控股有限公司*
MAYER HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1116)

**OPEN OFFER OF 1,398,400,000 OFFER SHARES
AT HK\$0.20 PER OFFER SHARE ON THE BASIS OF
FOUR (4) OFFER SHARES FOR EVERY ONE (1) ADJUSTED SHARE
HELD ON THE RECORD DATE**

Financial adviser to the Company

VEDA | CAPITAL
智略資本

Underwriters to the Company



Capitalised terms used in this cover page shall have the same meanings as defined in this Prospectus unless the context requires otherwise.

The Latest Time for Acceptance is at 4:00 p.m. on Monday, 12 November 2018. The procedures for application and payment for the Offer Shares are set out on pages 31 to 33 of this Prospectus.

Shareholders should note that the existing Adjusted Shares have been dealt in on an ex-entitlement basis commencing from 18 October 2018. The Open Offer is conditional, among other things, upon the fulfillment or waiver of the conditions set out under the section headed "Conditions precedent to the Underwriting Agreement" of the letter from the Board on pages 22 to 23 of this Prospectus. In particular, it is conditional upon the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.

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EXPECTED TIMETABLE

The expected timetable for the Open Offer and the relevant trading arrangement is set out below:

Despatch of the Prospectus Documents Monday, 29 October 2018

Latest Time for Acceptance 4:00 p.m. on Monday,
12 November 2018

Latest Time for Termination 4:00 p.m. on Tuesday,
13 November 2018

Announcement of results of acceptance of the Offer Shares
and excess application for the Offer Shares Monday, 19 November 2018

Despatch of share certificates for the Offer Shares Tuesday, 20 November 2018

Despatch of refund cheques if the Open Offer is
terminated Tuesday, 20 November 2018

Expected date of Resumption and commencement of
dealings in the Offer Shares (if all the resumption
conditions are fulfilled) Wednesday, 21 November 2018

Last day of free exchange of existing share certificates for
new certificates for Adjusted Shares Wednesday, 21 November 2018

Odd lot matching arrangement commences Wednesday, 21 November 2018

Odd lot matching arrangement ends Tuesday, 11 December 2018

Note:

All times and dates in this Prospectus refer to Hong Kong local time and dates. Shareholders should note that the times and dates specified in this Prospectus for events in the timetable for (or otherwise in relation to) the Open Offer are indicative only and may be extended or varied by agreement between the Company and the Underwriters.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR APPLICATION OF AND PAYMENT FOR OFFER SHARES

All times stated in this Prospectus refer to Hong Kong time. The Latest Time for Acceptance will be postponed if there is:

- a tropical cyclone warning signal number 8 or above, or
- a “black” rainstorm warning
 - (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 12 November 2018. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day;
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 12 November 2018. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on Monday, 12 November 2018, the dates mentioned in the section headed “Expected Timetable” in this Prospectus may be affected. The Company will notify Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following terms have the meanings set out below:

“Acquisition Agreement”	the sale and purchase agreement in relation to the acquisition of entire equity interest in Yield Rise which was entered into between the Company and Make Success on 8 November 2010 (as amended by a supplemental agreement dated 31 March 2011)
“acting in concert”	has the meaning ascribed to this term under the Takeovers Code
“Adjusted Share(s)”	shares of a nominal value of HK\$0.20 each in the share capital of the Company upon the Capital Reorganisation became effective on 16 October 2018
“Announcement”	the announcement of the Company dated 20 July 2018 in relation to, among other things, (i) the Settlement Deed and the Share Buy-backs; (ii) the Capital Reorganisation; (iii) the allotment and issue of the Remuneration Shares; and (iv) the Open Offer
“Application Form(s)”	the application form(s) to be used by the Qualifying Shareholders to apply for the Offer Shares
“Aspial Investment”	Aspial Investment Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Chen Wei. As at the Latest Practicable Date, Aspial Investment is a substantial Shareholder and holds 50,000,000 Adjusted Shares which represents approximately 14.30% of the existing total issued share capital of the Company
“Authorised Share Capital Increase”	the proposed increase of the authorised share capital of the Company to HK\$800,000,000 divided into 4,000,000,000 Adjusted Shares of a nominal value of HK\$0.20 each, by the creation of 3,000,000,000 Adjusted Shares of a nominal value of HK\$0.20 each after the Share Consolidation becoming effective
“Board”	the board of Directors

DEFINITIONS

“Bumper East”	Bumper East Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Lin Jinhe, an executive Director. As at the Latest Practicable Date, Bumper East is a substantial Shareholder and holds 50,000,000 Adjusted Shares which represents approximately 14.30% of the existing total issued share capital of the Company
“Business Day(s)”	day on which banks are generally open for business in Hong Kong (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between the hours of 9:00 a.m. and 5:00 p.m. on weekdays)
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company comprising the Share Consolidation, the Authorised Share Capital Increase and the Change in Board Lot
“CCASS”	the Central Clearing and Settlement system established and carried on by HKSCC
“Change in Board Lot”	the proposed change in board lot size of the Company’s securities for trading on the Stock Exchange from 4,000 Shares to 10,000 Adjusted Shares
“Circular”	the circular of the Company dated 21 September 2018 in relation to, among other things, (i) the Settlement Deed and the Share Buy-backs; (ii) the Capital Reorganisation; (iii) the allotment and issue of Remuneration Shares; (iv) the Open Offer; and (v) notice of EGM
“Companies (WUMP) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“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: 1116)

DEFINITIONS

“connected person(s)”	having the same meaning ascribed thereto in the Listing Rules
“Consideration Shares”	236,363,636 Shares issued to Make Success for the partial settlement of the consideration pursuant to the Acquisition Agreement
“Court”	the High Court of the Hong Kong Special Administrative Region
“Dan Tien Port”	Dan Tien Port, a port located at Mong Cai Town, Quang Ninh Province, Vietnam
“Director(s)”	director(s) of the Company
“EAF(s)”	the excess application form(s) for additional Offer Shares proposed to be subscribed by the Qualifying Shareholders in excess of their assured entitlement under the Open Offer
“EGM”	the extraordinary general meeting of the Company held on 15 October 2018 approving (i) the Settlement Deed and the Share Buy-backs; (ii) the Capital Reorganisation; (iii) the allotment and issue of the Remuneration Shares; and (iv) the Open Offer
“Excluded Shareholders”	those Overseas Shareholders whom the Directors, after making relevant enquiry as required under the Listing Rules, consider their exclusion from the Open Offer to be necessary or expedient on account of either the legal restrictions under the law of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries (from time to time)
“Guangzhou Mayer”	Guangzhou Mayer Corporation Limited, an indirect non-wholly owned subsidiary of the Company

DEFINITIONS

“HCA64/2012 Action”	the legal proceedings between the Company as plaintiff, and, Make Success, Tan Thang Construction Commercial Investment Joint Stock Company, Hop Thanh Trading – Electronics – Telecom Service Joint Stock Company, Mr. Zhang Xin Yu, Mr. Lam Chin Chun, Mr. Chau Yau Keung, Mr. Wang Han, Simsen Capital Finance Limited, Spring Sky Limited and United Simen Securities Limited as defendants, in the High Court of Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	the Shareholders, excluding (i) Make Success, Bumper East and any parties acting in concert with each of them; and (ii) those who are involved or interested in the Settlement Deed, the Share Buy-backs and the transactions contemplated thereunder, as the case may be, and who are required to abstain from voting on the relevant resolution(s) at the EGM
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected person(s) of the Company and is/are not connected person(s) of the Company
“Injunction”	an interlocutory injunction under the HCA64/2012 Action granted by the Court on 5 April 2012 against, amongst others, Make Success, pursuant to which Make Success is restrained from, amongst others, exercising any rights or powers (including but not limited to voting rights in general meeting(s) of the Company) in respect of the Consideration Shares, details of such injunction is set out in the announcement of the Company dated 5 April 2012
“Investor(s)”	the investors who have entered into agreement with Yicko Securities for the subscription of the Untaken Shares to be underwritten by Yicko Securities pursuant to the Underwriting Agreement, each an Investor

DEFINITIONS

“Irrevocable Undertakings”	the irrevocable undertakings dated 20 July 2018 executed by Aspial Investment and Bumper East respectively (as amended and supplemented by the Supplemental Undertakings), pursuant to which Aspial Investment and Bumper East respectively undertake to subscribe for certain Offer Shares being their respective full entitlements to the Offer Shares
“Kam Fai Securities”	Kam Fai Securities Company Limited, a licensed corporation to carry on type 1 (dealing in securities) regulated activity as defined under the SFO, being one of the three Underwriters
“Last Trading Day”	6 January 2012, being the last trading day of the shares of the Company prior to the date of the Suspension
“Latest Practicable Date”	24 October 2018, being the latest practicable date for ascertaining certain information prior to the printing of this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Monday, 12 November 2018 or such other date and/or time as may be agreed between the Company and the Underwriters, being the latest time for acceptance of and payment for the offer of Offer Shares and excess application for Offer Shares
“Latest Time for Termination”	4:00 p.m. on Tuesday, 13 November 2018, or such other date and/or time as may be agreed between the Company and the Underwriters, being the latest time by which the Underwriters may terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Make Success”	Make Success Limited, a company incorporated in the British Virgin Islands with limited liability, being the vendor under the Acquisition Agreement
“Offer Price”	the offer price of HK\$0.20 per Offer Share at which the Offer Shares are proposed to be offered for subscription
“Offer Share(s)”	1,398,400,000 Adjusted Shares proposed to be issued under the Open Offer

DEFINITIONS

“Open Offer”	the proposed offer for subscription of the Offer Shares on the basis of four (4) Offer Shares for every one (1) Adjusted Share held on the Record Date at the price of HK\$0.20 per Offer Share and payable in full on acceptance pursuant to the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus
“Overseas Shareholder(s)”	shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose registered address(es) on that date is/are in (a) place(s) outside Hong Kong
“PRC” or “China”	the People’s Republic of China, which, for the purpose of this Prospectus and for geographical reference only, excludes Taiwan, the Macao Special Administrative Region of the PRC and Hong Kong (unless otherwise indicated)
“President Securities”	President Securities (Hong Kong) Limited, a licensed corporation to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO, being one of the three Underwriters
“Prospectus”	this prospectus issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus, the Application Form and the EAF despatched by the Company to the Qualifying Shareholders in relation to the Open Offer
“Prospectus Posting Date”	Monday, 29 October 2018 or such later date as may be agreed between the Underwriters and the Company for the despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	the Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company on the Record Date
“Record Date”	Friday, 26 October 2018 or such other date as may be agreed between the Company and the Underwriters for the determination of the entitlements under the Open Offer

DEFINITIONS

“Registrar”	Computershare Hong Kong Investor Services Limited, the branch share registrar and transfer office of the Company in Hong Kong
“Remuneration Shares”	4,000,000 Adjusted Shares allotted and issued to a nominee of Veda Capital for the partial settlement of the professional fees in respect of the Resumption
“Resumption”	the resumption of trading in the Adjusted Shares on the Stock Exchange
“RMB”	Renminbi, the lawful currency of the PRC
“Settlement Deed”	a settlement deed entered into between the Company, Make Success and Yield Rise on 20 July 2018 in relation to the settlement of, among others, the Acquisition Agreement
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of a nominal value of HK\$0.10 each in the existing share capital of the Company before the Capital Reorganisation became effective
“Share Buy-backs”	buy-back of all the Consideration Shares by the Company from Make Success, as contemplated under the Settlement Deed, which constitutes an off-market share buy-back by the Company under the Share Buy-backs Code
“Share Buy-backs Code”	the Code on Share Buy-backs issued by the SFC
“Share Consolidation”	the proposed consolidation of every two (2) issued and unissued Shares of a nominal value of HK\$0.10 each into one (1) Adjusted Share of a nominal value of HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	having the same meaning ascribed thereto in the Listing Rules

DEFINITIONS

“Supplemental Agreement”	the supplemental agreement dated 18 September 2018 entered into between the Company and the Underwriters to amend and supplement certain terms of the Underwriting Agreement
“Supplemental Undertakings”	the supplemental letters dated 18 September 2018 executed by Aspial Investment and Bumper East respectively to amend and supplement certain terms of their respective Irrevocable Undertakings
“Suspension”	the suspension of trading in the shares of the Company since 9 January 2012
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC
“Underwriters”	Yicko Securities, President Securities and Kam Fai Securities
“Underwriting Agreement”	the Underwriting Agreement dated 20 July 2018 entered into between the Company and the Underwriters in relation to the Open Offer (as amended and supplemented by the Supplemental Agreement)
“Underwritten Shares”	all of the Offer Shares (other than the Offer Shares to be taken up by Aspial Investment and Bumper East under the Irrevocable Undertakings), being 998,400,000 Offer Shares, which are fully underwritten by the Underwriters on a several basis on the terms and subject to the conditions set out in the Underwriting Agreement
“Untaken Shares”	the Underwritten Shares which have not been taken up by the Qualifying Shareholders
“Veda Capital”	Veda Capital Limited, a licensed corporation to carry on type 6 (advising on corporate finance) regulated activity as defined under the SFO, the financial adviser to the Company in respect of the Resumption
“Working Capital Loan”	an interest-free loan facility up to an aggregate principal amount of not exceeding HK\$50 million pursuant to which Bumper East, being a substantial Shareholder, has agreed to make available to the Company such loan facility solely as its working capital

DEFINITIONS

“Yicko Securities”	Yicko Securities Limited, a licensed corporation to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities as defined under the SFO, being one of the three Underwriters
“Yield Rise”	Yield Rise Limited, a company incorporated in the British Virgin Islands with limited liability, being the target company under the Acquisition Agreement
“Yield Rise Group”	Yield Rise and its subsidiaries (from time to time)
“%”	per cent

For the purpose of this Prospectus, unless otherwise specified, the conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 = HK\$1.15 for illustration purpose only.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriters shall have the absolute right, after reasonable consultation with the Company as the Underwriters in their sole and absolute discretion sees fit, by giving notice to the Company, if there develops, occurs or comes into force at any time at or before the Latest Time for Termination:

- (i) any breach, considered by the Underwriters in their reasonable discretion to be material in the overall context of the Open Offer, of any of the warranties or any other provisions of the Underwriting Agreement; or
- (ii) any matter which, had it arisen immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted an omission considered by the Underwriters in their reasonable discretion to be material in the overall context of the Open Offer; or
- (iii) any statement contained in the Prospectus, considered by the Underwriters in their reasonable discretion to be material, is discovered to be or becomes untrue, incorrect or misleading in any material respect; or
- (iv) any event, act or omission which gives or is likely to give rise to any material liability of the Company pursuant to the Underwriting Agreement; or
- (v) any adverse change in the business or the financial or trading position of any member of the Group considered by the Underwriters in their reasonable discretion to be material; or
- (vi) any event or series of events, matter or circumstance concerning, relating to or resulting in:
 - (a) any change in local, national, international, financial, political, economic, military, industrial, fiscal, regulatory or stock market conditions or sentiments in Hong Kong or any other relevant jurisdiction; or
 - (b) the introduction of any new law or any material change in existing laws, or any material change in the interpretation or application of such laws by any court or other competent authority in Hong Kong or any other relevant jurisdiction; or
 - (c) any event of force majeure affecting Hong Kong or any other relevant jurisdiction (including, without limitation, any act of God, fire, flood, explosion, war, strike, lock-out, civil commotion, interruption, riot, public disorder, act of government, economic sanction, epidemic, terrorism or escalation of hostilities involving Hong Kong or any other relevant jurisdiction); or
 - (d) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (e) any prospective change in taxation or exchange control (or the implementation of any exchange control) in Hong Kong or any other relevant jurisdiction or affecting an investment in any class of shares of the Company or the transfer or dividend payment in respect of any class of shares of the Company; or
- (f) the imposition of any economic sanction, in whatever form, directly or indirectly, by or for the United States or by the European Union (or any of its members) on the PRC; or
- (g) any change in the system under which the value of Hong Kong dollars is pegged to that of the currency of the United States; or
- (h) any change in the exchange rate between the United States dollars and Renminbi (the lawful currency of the PRC), or between Hong Kong dollars and Renminbi; or
- (i) any litigation or claim of material importance being threatened or instigated against any member of the Group; or
- (j) any change in market conditions in Hong Kong (including without limitation suspension or material restriction or trading in securities);

which, in the reasonable opinion of the Underwriters:

- (i) is or will be, or is likely to be, materially adverse to the business, financial or other condition or prospects of the Group taken as a whole; or
- (ii) has, or will have, or could be expected to have, a material adverse effect on the success of the Open Offer; or
- (iii) so material as to make it inadvisable, inexpedient or impractical to proceed with the Open Offer.

Upon the giving of the termination notice, the provisions of the Underwriting Agreement (save and except for the clauses stated in the Underwriting Agreement which shall remain in full force and effect) shall from such time cease to have any effect and no party shall have any claim against any other party, except in respect of (i) claims arising out of any antecedent breach of any of the provisions of the Underwriting Agreement; (ii) all costs, fees, charges and expenses as stated in the Underwriting Agreement; and (iii) claims arising out of the continuing provisions mentioned in the Underwriting Agreement.

Any such notice may be served by the Underwriters to the Company prior to the Latest Time for Termination. Upon termination of the Underwriting Agreement, the Open Offer will not proceed.

LETTER FROM THE BOARD



美亞控股有限公司*

MAYER HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1116)

Executive Directors

Mr. Lee Kwok Leung (*Chairman*)

Mr. Xu Lidi

Mr. Lin Jinhe

Registered office

PO Box 309, Ugland House

Grand Cayman KY1-1104

Cayman Islands

Non-executive Directors

Mr. Wang Dongqi

*Head Office and Principal Place of
Business in Hong Kong:*

21st Floor

No. 88 Lockhart Road

Wan Chai

Hong Kong

Independent non-executive Directors

Mr. Lau Kwok Hung

Ms. Chen Yen Yung

Mr. Deng Shimin

29 October 2018

To the Qualifying Shareholders

and, for information only, the Excluded Shareholders

Dear Sir or Madam,

**OPEN OFFER OF 1,398,400,000 OFFER SHARES
AT HK\$0.20 PER OFFER SHARE ON THE BASIS OF
FOUR (4) OFFER SHARES FOR EVERY ONE (1) ADJUSTED SHARE
HELD ON THE RECORD DATE**

INTRODUCTION

References are made to the (i) Announcement; and (ii) the Circular.

The purpose of this Prospectus is to provide you with, among other things, further details of (i) the Open Offer (including the procedures for application and payment for the Offer Shares); (ii) the financial information of the Group; and (iii) the general information of the Group.

THE OPEN OFFER

The Company proposes to conduct the Open Offer upon the Capital Reorganisation becoming effective to raise gross proceeds of approximately HK\$279.68 million before expenses by issuing 1,398,400,000 Offer Shares at the Offer Price of HK\$0.20 per Offer Share on the basis of four (4) Offer Shares for every one (1) Adjusted Share held on the Record Date (assuming that no Adjusted Shares to be issued or bought back by the Company from the Latest Practicable Date and up to the Record Date).

* For identification purpose only

LETTER FROM THE BOARD

Issue statistics of the Open Offer

Basis of the Open Offer:	four (4) Offer Shares for every one (1) Adjusted Share held on the Record Date in respect of the Open Offer
Offer Price:	HK\$0.20 per Offer Share
Number of Offer Shares:	1,398,400,000 Offer Shares

Undertakings

As at the Latest Practicable Date, 50,000,000 Adjusted Shares are held by each of Aspial Investment, a substantial Shareholder, which is wholly owned by Mr. Chen Wei, and Bumper East, a substantial Shareholder, which is wholly owned by Mr. Lin Jinhe, being an executive Director, representing approximately 14.30% of the issued share capital of the Company. Pursuant to the Irrevocable Undertakings (as amended and supplemented by the Supplemental Undertakings), Aspial Investment and Bumper East have respectively irrevocably undertaken to (i) remain as the beneficial owner of 50,000,000 Adjusted Shares from the date of the Irrevocable Undertakings up to and including the Latest Time for Acceptance and (ii) subscribe or procure subscription (in the event that HKSCC Nominees Limited is the registered owner of the 50,000,000 Adjusted Shares) for 200,000,000 Offer Shares, being their respective entitlements to the Offer Shares.

Save for the Irrevocable Undertakings, as at the Latest Practicable Date, the Board has not received any information or irrevocable undertakings from the Shareholders of their intention to take up the Offer Shares under the Open Offer.

The Offer Shares

Assuming there is no change in the issued share capital of the Company from the Latest Practicable Date and up to the Record Date, 1,398,400,000 Offer Shares to be allotted and issued represents:

- (i) 4 times of the issued share capital of the Company as at the Latest Practicable Date; and
- (ii) 80% of the issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares.

The Offer Price

The Offer Price of HK\$0.20 per Offer Share represents:

- (i) a discount of approximately 18.70% to the equivalent closing price of HK\$0.246 per Adjusted Share based on the closing price of the Shares of HK\$0.123 per Share as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (ii) a discount of approximately 17.01% to the equivalent average closing price of approximately HK\$0.241 per Adjusted Share based on the average of the closing price of approximately HK\$0.1206 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 17.01% to the equivalent average closing price of approximately HK\$0.241 per Adjusted Share based on the average of the closing price of approximately HK\$0.1206 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 16.67% to the equivalent average closing price of approximately HK\$0.240 per Adjusted Share based on the average of the closing price of approximately HK\$0.120 per Share as quoted on the Stock Exchange for the thirty consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 67.21% to the audited net assets value per Adjusted Share of approximately HK\$0.61 based on the audited consolidated equity attributable to owners of the Company of approximately RMB186.79 million (equivalent to approximately HK\$214.81 million) as at 31 December 2017 and the existing issued share capital of 349,600,000 Adjusted Shares; and
- (vi) a discount of approximately 66.67% to the unaudited net assets value per Adjusted Share of approximately HK\$0.60 based on the unaudited consolidated equity attributable to owners of the Company of approximately RMB181.87 million (equivalent to approximately HK\$209.15 million) as at 30 June 2018 and the existing issued share capital of 349,600,000 Adjusted Shares.

The Offer Price of HK\$0.20 per Offer Share is equivalent to the issue price of the Remuneration Shares and was determined having taken into account (i) the closing price of the shares of the Company on the Last Trading Day; (ii) the expected financial needs of the Company; and (iii) the prolonged suspension of trading in the shares of the Company.

In assessing the fairness of the Offer Price, the Directors have also compared the Open Offer with the open offers conducted by companies listed on the Stock Exchange, which have been announced respectively and were not subsequently terminated, during the 12-month period preceding the date of the Announcement (i.e. from 21 July 2017 up to and including 20 July 2018, being the date of the Announcement) for comparison purposes. The Directors, for determining the Offer Price, have made reference to the discount rates of the offer price to the last trading price in those open offer transactions which ranged from 1.96% to 33.70%.

LETTER FROM THE BOARD

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders and will not be available to the Excluded Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Excluded Shareholders, the Company will send copies of the Prospectus to them for their information only, no Application Forms and the EAFs will be sent to the Excluded Shareholders.

To qualify for the Open Offer, a Shareholder must at the close of business on the Record Date:

- (i) be registered as a member of the Company; and
- (ii) not be an Excluded Shareholder. Shareholders whose Adjusted Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company.

Shareholders with their Adjusted Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Adjusted Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company on the Record Date, any transfer of the Adjusted Shares (with the relevant share certificates) must be lodged with the Registrar for registration by 4:30 p.m. on Friday, 19 October 2018. The address of the Registrar, Computershare Hong Kong Investor Services Limited, is Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Excluded Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.

Taking into the consideration of the effects of the Share Buy-backs and the cancellation of all the Consideration Shares, the Capital Reorganisation, the allotment and issue of the Remuneration Shares and the Open Offer, the theoretical dilution effect of the Open Offer is approximately 14.96% which is the discount of the theoretical diluted price to benchmarked price of the equivalent closing price of HK\$0.246 per Adjusted Share based on the closing price of the Shares of HK\$0.123 per Share as quoted on the Stock Exchange on the Last Trading Day.

Overseas Shareholders and Excluded Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities or equivalent legislation of any jurisdiction other than that in Hong Kong (to the extent required under the applicable laws).

According to the register of members of the Company as at the Latest Practicable Date, there were six Overseas Shareholders whose addresses were located in the PRC and Taiwan, who held in aggregate 24,024,000 Adjusted Shares.

LETTER FROM THE BOARD

Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Board has made enquiries, and has obtained advice from the Company's advisers as to the laws of the PRC and Taiwan, regarding the legal restrictions under the applicable securities laws and the requirements of the respective regulatory bodies or stock exchanges with respect to the offer of the Offer Shares and excess Offer Shares to such Overseas Shareholders.

Based on the advice provided by the Company's legal advisers, the Directors are of the view that (i) it is expedient to extend the Open Offer to the Overseas Shareholders with registered addresses in Taiwan as there are no specific legal restrictions and/or regulatory requirements applicable in Taiwan in terms of offering the Offer Shares to such Overseas Shareholders and (ii) it is inexpedient to extend the Open Offer to the Overseas Shareholders with registered addresses in the PRC due to the time and uncertainty involved in complying with the applicable legal or regulatory requirements if the Open Offer is to be lawfully made to such Overseas Shareholders in the PRC.

Accordingly, the Company will extend the Open Offer to the Overseas Shareholders in Taiwan but will not extend the Open Offer to the Overseas Shareholders in the PRC. The Company will send copies of the Prospectus for information only, but will not send any Application Forms and EAFs, to the Excluded Shareholders.

Save as described above, no action has been taken to permit the offering of the Offer Shares, or the distribution of the Prospectus Documents, in any territory or jurisdiction outside Hong Kong. Accordingly, no person receiving a copy of the Prospectus Documents in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Offer Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements.

It is the responsibility of the Qualifying Shareholders outside Hong Kong wishing to make an application for the Offer Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the Offer Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connected therewith. Any acceptance of the offer of the Offer Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Offer Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. For the avoidance of doubt, neither Hong Kong Securities Clearing Company Limited nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

The Offer Shares to which the Excluded Shareholders would otherwise have been entitled will be available for excess application by Qualifying Shareholders. Any Offer Shares not applied for by the Qualifying Shareholders and not taken by excess application will be taken by the Underwriters.

LETTER FROM THE BOARD

Basis of allotment

The basis of the allotment shall be four (4) Offer Shares for every one (1) Adjusted Share held by the Qualifying Shareholders on the Record Date at the Offer Price. Application for all or any part of a Qualifying Shareholder's allotment should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being applied for. The Directors consider the terms of the Open Offer, including the Offer Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Certificates of the Offer Shares and refund cheques

Subject to fulfilment of the conditions of the Open Offer, certificates for the fully-paid Offer Shares are expected to be despatched on or before Tuesday, 20 November 2018 to those entitled thereto by ordinary post at their own risk. If the Open Offer is terminated, refund cheques are expected to be despatched on or before Tuesday, 20 November 2018 by ordinary post at the respective Shareholders' own risk.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares (if any) are also expected to be posted on or before Tuesday, 20 November 2018 by ordinary post to the applicants at their own risk.

Excess application for the Offer Shares

Qualifying Shareholders shall be entitled to apply for entitlement of Offer Shares created which are not taken up by other Qualifying Shareholders in excess of their own assured allotments but are not assured of being allocated any Offer Shares in excess of those in their assured allotments. Application may be made by Qualifying Shareholders by completing the EAF and lodging the same with a separate remittance for the excess Offer Shares being applied for. The Directors will, upon consultation with the Underwriters, allocate the excess Offer Shares at their discretion on a fair and equitable basis as far as practicable, according to the principle that any excess Offer Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the excess Offer Shares applied for by all such Qualifying Shareholders.

No preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Offer Shares should note that there is no guarantee that such odd lots of the Offer Shares will be topped up to create whole board lots pursuant to applications for excess Offer Shares.

Any remaining Underwritten Shares not applied for by the Qualifying Shareholders will be taken up by the Underwriters.

In the event that the Board notes unusual patterns of excess Offer Shares applications and has reason to believe that any application may have been made with the intention to abuse the above mechanism, such application(s) for excess Offer Shares may be rejected at the sole discretion of the Board.

LETTER FROM THE BOARD

Shareholders with their shares of the Company held by a nominee (including HKSCC Nominees Limited) should note that the Directors will regard the nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose shares of the Company are registered in the name of a nominee (including HKSCC Nominees Limited) should note that the aforesaid arrangements in relation to the allocation of excess Offer Shares will not be extended to them individually. Shareholders should consult their professional advisers if they are in any doubt as to whether they should register their shareholding in their own names prior to the book closure period and apply for the Offer Shares themselves.

Fractional entitlements

Entitlement to Offer Shares will be rounded down to the nearest whole number and no fractional entitlements or allotments are expected to arise as a result of the Open Offer.

Status of the Offer Shares

The Offer Shares, when being allotted and fully paid, will rank *pari passu* in all respect with the Adjusted Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the Offer Shares.

LETTER FROM THE BOARD

THE UNDERWRITING AGREEMENT

On 20 July 2018 (after trading hours), the Company entered into the Underwriting Agreement (as amended and supplemented by the Supplemental Agreement) with the Underwriters in relation to the underwriting and certain other arrangements in respect of the Open Offer. Details of the Underwriting Agreement are set out as follows:

Date: 20 July 2018 (after trading hours)

Underwriters: (i) Yicko Securities;
(ii) President Securities; and
(iii) Kam Fai Securities

The Underwriters, and their respective associates, (i) are Independent Third Parties and are not acting in concert with the Company; and (ii) are not existing Shareholder nor parties acting in concert with any of the Shareholders. Each of the Underwriters and their respective associates is not connected nor acting in concert with any other Underwriters.

The Directors confirm the Underwriters comply with Rule 7.19(1) of the Listing Rules.

The Underwriters shall severally subscribe for the Untaken Shares set out in (i) to (iii) below for which they are called upon to subscribe in accordance with the terms of the Underwriting Agreement in the following order:

(i) firstly, Yicko Securities shall underwrite up to 750,000,000 Untaken Shares, equivalent to approximately 42.91% of the enlarged issued share capital of the Company upon completion of the Open Offer (based on the maximum number of 1,398,400,000 Offer Shares to be issued pursuant to the Open Offer, assuming no further new Adjusted Shares are issued (other than the Offer Shares) and no buy-back of Adjusted Shares on or before the Record Date);

LETTER FROM THE BOARD

- (ii) secondly, President Securities shall underwrite up to 100,000,000 Untaken Shares that are not underwritten by Yicko Securities pursuant to (i) above, equivalent to approximately 5.72% of the enlarged issued share capital of the Company upon completion of the Open Offer (based on the maximum number of 1,398,400,000 Offer Shares to be issued pursuant to the Open Offer, assuming no further new Adjusted Shares are issued (other than the Offer Shares) and no buy-back of Adjusted Shares on or before the Record Date); and
- (iii) thirdly, Kam Fai Securities shall underwrite all the remaining balance of the Untaken Shares that are not underwritten by Yicko Securities and President Securities pursuant to (i) and (ii) above, equivalent to approximately 8.49% of the enlarged issued share capital of the Company upon completion of the Open Offer (based on the maximum number of 1,398,400,000 Offer Shares to be issued pursuant to the Open Offer, assuming no further new Adjusted Shares are issued (other than the Offer Shares) and no buy-back of Adjusted Shares on or before the Record Date).

In the event of the Underwriters being called upon to subscribe for or procure subscribers of the Untaken Shares pursuant to the Underwriting Agreement, each of the Underwriters will not, and will procure each of the subscribers of its respective Untaken Shares (including any direct or indirect sub-underwriters) will not, together with any party acting in concert (within the meaning of the Takeovers Code) with it or its associates, hold 30% or more of the voting rights of the Company immediately upon completion of the Open Offer.

Pursuant to (i) above, Yicko Securities shall underwrite up to 750,000,000 Untaken Shares, equivalent to approximately 42.91% of the enlarged issued share capital of the Company upon completion of the Open Offer. As at the Latest Practicable Date, Yicko Securities has entered into agreements with nine Investors respectively, pursuant to which the Investors agreed to take up and subscribe for an aggregate of 578,600,000 Untaken Shares, being part of the Untaken Shares to be underwritten by Yicko Securities, equivalent to approximately 33.10% of the enlarged issued share capital of the Company upon completion of the Open Offer. None of the Investors will be interested in 10% or more of the enlarged issued share capital of the Company upon completion of the Open Offer.

LETTER FROM THE BOARD

Details of the agreements entered into between Yicko Securities and each of the nine Investors are set out below:

Investor(s)	Number of the Untaken Shares agreed to subscribe	Percentage of the enlarged issued share capital of the Company upon completion of the Open Offer (Approximately)
Investor 1	600,000	0.03%
Investor 2	20,000,000	1.14%
Investor 3	16,750,000	0.96%
Investor 4	4,250,000	0.24%
Investor 5	15,000,000	0.86%
Investor 6	20,000,000	1.14%
Investor 7	170,000,000	9.73%
Investor 8	162,000,000	9.27%
Investor 9	170,000,000	9.73%
Total	<u>578,600,000</u>	<u>33.10%</u>

The Directors confirm that (i) each of the Investors and the parties acting in concert with it will not in aggregate be interested in 10% or more of the enlarged issued share capital of the Company upon completion of the Open Offer; and (ii) each of the Investors shall be a third party independent of, not connected and acting in concert with, the Company and its connected persons, the Underwriters, any other Investor(s), and any other Shareholder(s).

As at the Latest Practicable Date, Yicko Securities has no any intention to enter into any agreements with any person or entity for the subscription of the remaining 171,400,000 Untaken Shares to be underwritten by Yicko Securities.

LETTER FROM THE BOARD

Number of the Offer Shares to be fully underwritten by the Underwriters on a several basis: All of the Offer Shares (other than the Offer Shares to be taken up by Aspial Investment and Bumper East under the Irrevocable Undertakings), being 998,400,000 Offer Shares.

Underwriting Commission: The Underwriters will charge 2.50% of the aggregate Offer Price in respect of the actual number of Offer Shares which they have respectively committed to underwrite.

The commission rate was determined after arm's length negotiations between the Company and the Underwriters with reference to, among other things, the market rate and the long suspension of the shares of the Company, and the Directors consider that the commission rate is fair and reasonable so far as the Company and the Shareholders are concerned.

Conditions precedent to the Underwriting Agreement

The obligations of the Underwriters under the Underwriting Agreement are conditional upon fulfilment of the following conditions:

- (i) the delivery of the Prospectus Documents to the Stock Exchange on or before the Prospectus Posting Date and the issue by the Stock Exchange of a certificate of authorisation of registration on or before the Prospectus Posting Date;
- (ii) the Registrar of Companies in Hong Kong registering the Prospectus Documents together with any requisite accompanying documents under the Companies (WUMP) Ordinance;
- (iii) the Listing Committee of the Stock Exchange granting (either unconditional or subject to allotment and despatch of the share certificates in respect thereof or such conditions as the Company may reasonably accept), the listing of, and permission to deal in, the Adjusted Shares and the Offer Shares, and such listing and permission not being withdrawn or revoked prior to the Latest Time for Termination;
- (iv) the Executive having granted and not having withdrawn the waiver pursuant to Rule 7 of the Share Buy-backs Code;
- (v) the Prospectus Documents being filed with the Registrar of Companies in the Cayman Islands on or about the Prospectus Posting Date (if required);
- (vi) printed copies of each of the Prospectus Documents being posted to the Qualifying Shareholders and printed copies of the Prospectus stamped "For information only" being posted to Excluded Shareholders, in each case, on the Prospectus Posting Date;

LETTER FROM THE BOARD

- (vii) the Share Buy-backs and the Capital Reorganisation having been completed;
- (viii) the passing by the Shareholders (other than Make Success and Bumper East) at the EGM of the resolution to approve the Open Offer;
- (ix) the Underwriters having satisfied, in their absolute discretion, with the due diligence exercise to be conducted by the Underwriters or agents of the Underwriters on the legal, business and financial aspects of the Group;
- (x) compliance by the Company with all its obligations in relation to the making of the Open Offer and the allotment and offer of Offer Shares under the Underwriting Agreement having taken place by the times specified;
- (xi) receipt by the Underwriters (in a form and substance satisfactory to them) of all the relevant documents on or before such time as specified in the Underwriting Agreement; and
- (xii) no matter having arisen prior to the Latest Time for Termination which might reasonably be expected to give rise to a claim under the Underwriting Agreement and which, in any such case, the Underwriters, consider in their absolute discretion (acting in good faith) to be material in the context of the Open Offer or the underwriting of the Offer Shares.

If any of the above conditions is not fulfilled, or waived by the Underwriters, at or before the time specified in the relevant condition or such later time as may be extended pursuant to the Underwriting Agreement, the provision of the Underwriting Agreement (save and except for the clauses stated in the Underwriting Agreement which shall remain in full force and effect) shall from such time cease to have any effect and no party shall have any claim against any other party, except in respect of (i) claims arising out of any antecedent breach of any of the provisions of the Underwriting Agreement; (ii) all costs, fees, charges and expenses as stated in the Underwriting Agreement; and (iii) claims arising out of the continuing provisions mentioned in the Underwriting Agreement.

The Company undertakes to use its best endeavours to procure that all of the above conditions will be fulfilled by the dates and times specified in the above conditions or by such later time as may be extended pursuant to the Underwriting Agreement, and no ground for termination pursuant to the Underwriting Agreement will arise.

The Underwriters may in their absolute discretion (i) grant extension for the fulfilment of any of the above conditions for such longer time as may be determined by them; or (ii) waive (in whole or in part) any of the above conditions (other than the conditions set out in (i)-(viii) and (x) above and which are not waivable), by giving notice to the Company at or before the time specified in the relevant condition.

LETTER FROM THE BOARD

Termination of the Underwriting Agreement

The Underwriters shall have the absolute right, after reasonable consultation with the Company as the Underwriters in their sole and absolute discretion sees fit, by giving notice to the Company, if there develops, occurs or comes into force at any time at or before the Latest Time for Termination:

- (i) any breach, considered by the Underwriters in their reasonable discretion to be material in the overall context of the Open Offer, of any of the warranties or any other provisions of the Underwriting Agreement; or
- (ii) any matter which, had it arisen immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted an omission considered by the Underwriters in their reasonable discretion to be material in the overall context of the Open Offer; or
- (iii) any statement contained in the Prospectus, considered by the Underwriters in their reasonable discretion to be material, is discovered to be or becomes untrue, incorrect or misleading in any material respect; or
- (iv) any event, act or omission which gives or is likely to give rise to any material liability of the Company pursuant to the Underwriting Agreement; or
- (v) any adverse change in the business or the financial or trading position of any member of the Group considered by the Underwriters in their reasonable discretion to be material; or
- (vi) any event or series of events, matter or circumstance concerning, relating to or resulting in:
 - (a) any change in local, national, international, financial, political, economic, military, industrial, fiscal, regulatory or stock market conditions or sentiments in Hong Kong or any other relevant jurisdiction; or
 - (b) the introduction of any new law or any material change in existing laws, or any material change in the interpretation or application of such laws by any court or other competent authority in Hong Kong or any other relevant jurisdiction; or
 - (c) any event of force majeure affecting Hong Kong or any other relevant jurisdiction (including, without limitation, any act of God, fire, flood, explosion, war, strike, lock-out, civil commotion, interruption, riot, public disorder, act of government, economic sanction, epidemic, terrorism or escalation of hostilities involving Hong Kong or any other relevant jurisdiction); or
 - (d) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or

LETTER FROM THE BOARD

- (e) any prospective change in taxation or exchange control (or the implementation of any exchange control) in Hong Kong or any other relevant jurisdiction or affecting an investment in any class of shares of the Company or the transfer or dividend payment in respect of any class of shares of the Company; or
- (f) the imposition of any economic sanction, in whatever form, directly or indirectly, by or for the United States or by the European Union (or any of its members) on the PRC; or
- (g) any change in the system under which the value of Hong Kong dollars is pegged to that of the currency of the United States; or
- (h) any change in the exchange rate between the United States dollars and Renminbi (the lawful currency of the PRC), or between Hong Kong dollars and Renminbi; or
- (i) any litigation or claim of material importance being threatened or instigated against any member of the Group; or
- (j) any change in market conditions in Hong Kong (including without limitation suspension or material restriction or trading in securities);

which, in the reasonable opinion of the Underwriters:

- (i) is or will be, or is likely to be, materially adverse to the business, financial or other condition or prospects of the Group taken as a whole; or
- (ii) has, or will have, or could be expected to have, a material adverse effect on the success of the Open Offer; or
- (iii) so material as to make it inadvisable, inexpedient or impractical to proceed with the Open Offer.

Upon the giving of the termination notice, the provisions of the Underwriting Agreement (save and except for the clauses stated in the Underwriting Agreement which shall remain in full force and effect) shall from such time cease to have any effect and no party shall have any claim against any other party, except in respect of (i) claims arising out of any antecedent breach of any of the provisions of the Underwriting Agreement; (ii) all costs, fees, charges and expenses as stated in the Underwriting Agreement; and (iii) claims arising out of the continuing provisions mentioned in the Underwriting Agreement.

Any such notice may be served by the Underwriters to the Company prior to the Latest Time for Termination. Upon termination of the Underwriting Agreement, the Open Offer will not proceed.

LETTER FROM THE BOARD

Reasons for and use of proceeds from the Open Offer

The Directors consider that the Open Offer is in the interests of the Company and the Shareholders as a whole as it offers all the qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Group should they wish to do so.

The gross proceeds and net proceeds (after deducting the underwriting commission) from the Open Offer are approximately HK\$279.68 million and approximately HK\$274.69 million respectively. The net proceeds from the Open Offer of approximately HK\$274.69 million are intended to be utilised as to (i) approximately HK\$48.77 million for the settlement of legal, consultancy and professional fees and other costs and expenses arising from the Resumption; (ii) approximately HK\$76.90 million for the repayment of outstanding loans as at the Latest Practicable Date (the “**Outstanding Loans**”); (iii) approximately HK\$5.60 million for the settlement of directors’ remuneration payable (except for the director’s remuneration payable to Mr. Lin Jinhe, being an executive Director and the ultimate beneficial owner of Bumper East which is a substantial Shareholder) as at the Latest Practicable Date; (iv) approximately HK\$93.73 million for the capital expenditure for Guangzhou Mayer; and (v) approximately HK\$49.69 million for the general working capital of the Group.

The details of the Outstanding Loans as at the Latest Practicable Date are set out as follows:

Creditors	Creditors’ profile	Nature	Amount	Maturity date
Xu Lidi	Executive Director	Director’s loan	HK\$2,000,000	8/8/2018
		Director’s loan	HK\$1,000,000	17/9/2018
		Director’s loan	HK\$1,000,000	25/10/2018
		Director’s loan	HK\$1,000,000	18/12/2018
		Director’s loan	HK\$1,500,000	18/3/2019
		Director’s loan	HK\$600,000	18/6/2019
		Director’s loan	HK\$800,000	25/6/2019
		Director’s loan	HK\$500,000	8/7/2019
		Director’s loan	HK\$500,000	16/8/2019
		Director’s loan	HK\$500,000	9/9/2019
Fine Day Asia Pacific Limited	A company incorporated in Hong Kong	Short term loan	HK\$500,000	9/5/2017
		Short term loan	HK\$14,420,000	23/6/2017
		Short term loan	HK\$1,000,000	21/3/2018
		Short term loan	HK\$1,500,000	26/4/2018
		Interest	HK\$2,611,200	N/A

LETTER FROM THE BOARD

Creditors	Creditors' profile	Nature	Amount	Maturity date
Fantasy Way Group Limited	A company incorporated in the British Virgin Islands	Short term loan	HK\$5,000,000	9/12/2018
		Interest	HK\$875,000	9/12/2018
Lai Yueh Hsing	Former Director	Expenses paid on behalf of the Company	HK\$13,613,680.63	N/A
Kwok Lap Wing	The loan from Mr. Kwok Lap Wing was arranged by a former director of Guangzhou Mayer and therefore his profile is unknown to the current Board	Long term loan	RMB10,000,000 (equivalent to approximately HK\$11,500,000)	12/2/2019
河南清美三十四號 建築裝飾工程有限 公司 (Henan Qingmei No.34 Building Decoration Engineering Co., Ltd.*)	A company established in the PRC and principally engaged in building decoration	Short term loan	RMB3,300,000 (equivalent to approximately HK\$3,795,000)	6/6/2018
		Short term loan	RMB1,000,000 (equivalent to approximately HK\$1,150,000)	14/6/2018
		Short term loan	RMB10,000,000 (equivalent to approximately HK\$11,500,000)	4/9/2018
Total:			Approximately HK\$76,900,000	

* Save for the loan from Mr. Kwok Lap Wing, all the Outstanding Loans are unsecured

As at the Latest Practicable Date, the Directors did not aware of any demand for repayment of the Outstanding Loans from any of the creditors and none of the creditors was a Shareholder.

The expected interest payable in respect of the Outstanding Loans for the year ending 31 December 2018 is approximately HK\$6,667,000.

LETTER FROM THE BOARD

Capital expenditure requirement of Guangzhou Mayer for 12 months after completion of the Open Offer:

Capital expenditure	Amount
	<i>RMB</i>
	<i>(Approximately)</i>
Factory repair and modifications	4,930,000
Workshop environmental modifications	860,000
Strip processing facility modifications & enhancement	11,200,000
Steel pipes production facility modifications & enhancement	50,310,000
Vehicle exhaust pipe production & material analysis system supporting equipment and facility	4,350,000
Pipe fitting & other production facility	9,800,000
Office equipment	50,000
	<hr/>
	81,500,000
	(equivalent to
Total:	approximately
	<u>HK\$93,730,000</u>)

For the proceeds of approximately HK\$49.69 million for the general working capital of the Group, (i) approximately HK\$40.79 million will be allocated to support the daily business operation of Guangzhou Mayer; and (ii) approximately HK\$8.90 million will be allocated to maintain the operation of the Company's office in Hong Kong, including the annual rent and rates of approximately HK\$0.60 million, the annual staff costs of approximately HK\$1.39 million, the general office and corporate expenses of approximately HK\$3.30 million and the professional expenses of approximately HK\$3.61 million.

After taking into consideration of the existing financial resources of the Group and the net proceeds from the Open Offer, the Directors consider that the proceeds allocated to the capital expenditure and general working capital will be sufficient for the coming 12 months.

The Directors consider that the Open Offer is fair and reasonable and in the interests of the Company and the Shareholders as a whole having taken into account the terms of the Open Offer.

LETTER FROM THE BOARD

Implications under the Listing Rules

In accordance with Rule 7.24A(1) of the Listing Rules, a proposed open offer must be made conditional on minority shareholders' approval as set out in Rule 7.27A of the Listing Rules unless the securities will be issued by the listed issuer under the authority of a general mandate granted by shareholders in general meetings. As such, the Open Offer is subject to the approval of the Shareholders other than Bumper East (who had abstained from voting in favour) at the EGM by way of poll. Make Success had also abstained from voting on the relevant resolutions at the EGM due to the Injunction.

The relevant resolutions approving the Open Offer were duly passed at the EGM on 15 October 2018.

Application for listing

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Offer Shares.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange. Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements will be made to enable the Offer Shares will be admitted into CCASS.

Dealings in the Offer Shares in board lots of 10,000 Adjusted Shares, which are registered in the register of members of the Company, will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

LETTER FROM THE BOARD

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purpose, the following table illustrates the shareholding of the Company upon completion of the Open Offer.

	As at the Latest Practicable Date		(i-A) Immediately after the Open Offer assuming full acceptance of the Offer Shares		(i-B) Immediately after the Open Offer assuming no acceptance of the Offer Shares	
	<i>No. of Adjusted Shares</i>	<i>Approx. %</i>	<i>No. of Adjusted Shares</i>	<i>Approx. %</i>	<i>No. of Adjusted Shares</i>	<i>Approx. %</i>
	Bumper East	50,000,000	14.30	250,000,000	14.30	250,000,000
Aspial Investment	50,000,000	14.30	250,000,000	14.30	250,000,000	14.30
Public Shareholders:						
Existing public shareholders	245,600,000	70.25	1,228,000,000	70.25	245,600,000	14.05
Nominee of Veda Capital	4,000,000	1.15	20,000,000	1.15	4,000,000	0.23
The Underwriters:						
Yicko Securities	-	-	-	-	171,400,000	9.81
President Securities	-	-	-	-	100,000,000	5.72
Kam Fai Securities	-	-	-	-	148,400,000	8.49
Investors	-	-	-	-	578,600,000	33.10
Total	349,600,000	100.00	1,748,000,000	100.00	1,748,000,000	100.00

Note: The Directors confirm that (i) each of the Investors and the parties acting in concert with it will not in aggregate be interested in 10% or more of the enlarged issued share capital of the Company upon completion of the Open Offer; and (ii) each of the Investors shall be a third party independent of, not connected and acting in concert with, the Company and its connected persons, the Underwriters, any other Investor(s), and any other Shareholder(s).

LETTER FROM THE BOARD

TAXATION

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the Offer Shares.

PROCEDURE FOR APPLICATION AND PAYMENT

Application for the Offer Shares

For each Qualifying Shareholder, an Application Form is enclosed with this Prospectus which entitles you to subscribe for the number of the Offer Shares as shown therein subject to payment in full by the Latest Time for Acceptance. If you, as a Qualifying Shareholder, wish to exercise your right to subscribe for all number of the Offer Shares in your entitlement of Offer Shares or any number of the Offer Shares less than your entitlement of Offer Shares to which you are entitled, you must complete, sign and lodge the Application Form in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on Monday, 12 November 2018 (or, under bad weather conditions, such later date and/or time as mentioned in the section headed “Expected Timetable” in this Prospectus). All remittance(s) must be made in Hong Kong dollars. Cheques must be drawn on an account with, or banker’s cashier orders must be issued by, a licensed bank in Hong Kong and made payable to “**Mayer Holdings Limited — Open Offer Account**” and crossed “**Account Payee Only**”.

It should be noted that unless the duly completed and signed Application Form, together with the appropriate remittance, have been lodged with the Registrar by 4:00 p.m. on Monday, 12 November 2018 (or, under bad weather conditions, such later date and/or time as mentioned in the section headed “Expected Timetable” in this Prospectus), the entitlements of the respective Qualifying Shareholders under the Open Offer and all rights in relation thereto shall be deemed to have been declined and will be cancelled.

All cheques and banker’s cashier orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) shall be retained for the benefit of the Company. Completion and lodgment of the Application Form together with a cheque or banker’s cashier order in payment of the Offer Shares being applied for will constitute a warranty that the cheque or banker’s cashier order will be honoured upon first presentation. Any Application Form in respect of which the accompanying cheque or banker’s cashier order is dishonoured on first presentation is liable to be rejected and cancelled, and in that event the relevant entitlement of Offer Shares and all rights thereunder will be deemed to have been declined and will be cancelled.

LETTER FROM THE BOARD

The Application Form is for use only by the Qualifying Shareholders and is not transferable. No receipt will be issued in respect of any application monies received. If the Underwriting Agreement is terminated before the Latest Time for Termination, the Open Offer will not proceed and the monies received in respect of acceptances of the Offer Shares without interest will be returned to the Qualifying Shareholders, by means of cheques crossed "**Account Payee Only**" to be despatched by ordinary post to their registered addresses and in the case of joint applicants to the registered address of the applicant whose name first appears on the register of members of the Company at their own risk on or before Tuesday, 20 November 2018.

Application for excess Offer Shares

The Offer Shares to which the Excluded Shareholders would otherwise have been entitled, any assured allotments of Offer Shares which have not been accepted by Qualifying Shareholders, and Offer Shares created by aggregation of fractional Offer Shares, will be available for excess application by the Qualifying Shareholders. If you as a Qualifying Shareholder wish to apply for any Offer Shares in addition to your assured entitlement indicated on the Application Form enclosed with this Prospectus, you must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge it, together with a separate remittance for the full amount payable on application in respect of the excess Offer Shares applied for, with the Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on Monday, 12 November 2018 (or, under bad weather conditions, such later date and/or time as mentioned in the section headed "Expected Timetable" in this Prospectus). The EAF is for use only by the person(s) named therein and is not transferable. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, or banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "**Mayer Holdings Limited — Excess Application Account**" and crossed "**Account Payee Only**".

All cheques and banker's cashier orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) shall be retained for the benefit of the Company. Any EAF in respect of which the accompanying cheque or banker's cashier order is dishonored on first presentation is liable to be rejected and cancelled. In the event of overpaid application, a refund cheque will be made out to the Qualifying Shareholder only if the overpaid amount is HK\$100 or above.

If no excess Offer Shares are allotted to the Qualifying Shareholders, it is expected that a cheque for the full amount tendered on application for the excess Offer Shares without interest will be posted to the Qualifying Shareholders' address on the register of members of the Company by ordinary post at his/her/its/their own risk on or before Tuesday, 20 November 2018. If the number of excess Offer Shares allotted to the Qualifying Shareholders is less than that applied for, it is expected that a cheque for the amount of the surplus application monies, without interest, will be posted to the Qualifying Shareholders' address on the register of members of the Company by ordinary post at his/her/its/their own risk on or before Tuesday, 20 November 2018.

LETTER FROM THE BOARD

Persons with their shares of the Company held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company under the allocation of excess Offer Shares. Shareholders with their shares of the Company held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant shares of the Company in the name of the beneficial owner(s) prior to the Record Date.

Excess application from Qualifying Shareholders (including registered nominee company) will be accepted by the Company even if their assured entitlement of the Offer Shares is not subscribed for in full.

If the Underwriting Agreement is terminated before the Latest Time for Termination, the Open Offer will not proceed and the monies received in respect of applications for excess Offer Shares without interest will be returned to the Qualifying Shareholders by means of cheques crossed “**Account Payee Only**” to be despatched by ordinary post to their registered addresses at their own risk on or before Tuesday, 20 November 2018.

WARNING OF THE RISKS OF DEALING IN THE ADJUSTED SHARES

The Open Offer is conditional upon the fulfilment of the conditions set out under the paragraph headed “Conditions precedent to the Underwriting Agreement” above. The Open Offer is also subject to the Underwriters not terminating the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.

Any dealings in the Adjusted Shares from the date of this Prospectus up to the date on which all the conditions of the Open Offer are fulfilled will accordingly bear the risk that the Open Offer may or may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Adjusted Shares are recommended to exercise caution when dealing in the Adjusted Shares, and if they are in doubt about their position, they should consult their own professional advisers.

Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Excluded Shareholders should note that their shareholdings in the Company will be diluted.

ADDITIONAL INFORMATION

Your attention is drawn to the information contained in the appendices to this Prospectus.

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

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2015, 2016 and 2017 was disclosed in (i) the annual report of the Company for the year ended 31 December 2015; (ii) the annual report of the Company for the year ended 31 December 2016; (iii) the annual report of the Company for the year ended 31 December 2017; and (iv) the interim report of the Company for six months ended 30 June 2018, all of which were published on both the Stock Exchange's website at <http://www.hkexnews.hk> and the Company's website at www.mayer.com.hk.

Hyperlinks to the annual reports and interim report of the Company are set out below:

Interim report of the Company for the six months ended 30 June 2018

<http://www.hkexnews.hk/listedco/listconews/SEHK/2018/1003/LTN201810031317.pdf>

Annual report of the Company for the year ended 31 December 2017

<http://www.hkexnews.hk/listedco/listconews/SEHK/2018/0620/LTN20180620197.pdf>

Annual report of the Company for the year ended 31 December 2016

<http://www.hkexnews.hk/listedco/listconews/SEHK/2018/0611/LTN20180611372.pdf>

Annual report of the Company for the year ended 31 December 2015

<http://www.hkexnews.hk/listedco/listconews/SEHK/2018/0611/LTN20180611341.pdf>

2. FINANCIAL AND TRADING PROSPECT

As stated in the Company's periodic announcement dated 29 September 2017, the new management of Guangzhou Mayer had successfully resumed the on-site control of the operation and governance of Guangzhou Mayer on 12 July 2017. Thereafter, Guangzhou Mayer has resumed its normal operation situation quickly.

As soon as the resumption of physical control over Guangzhou Mayer took place in July 2017, the new management of Guangzhou Mayer managed to stabilise the factory's production and the upkeep of normal production capacity had been achieved quickly. With an effective human resources management system and a good business relationship between Guangzhou Mayer and its suppliers, the new management of Guangzhou Mayer has adopted a "Just-in-Time" approach in maximizing the factory's production capacity and minimising the level of inventory. The purchases of production materials are carefully scheduled to align with the timeline and the size of the sales orders placed by the customers.

Despite the reduction in the export of steel products due to the global trade tension and the fluctuation of foreign exchanges, Guangzhou Mayer continues to capture more sales in the domestic market in China.

Upon completion of the Open Offer and with the new capital expenditure, the new management of Guangzhou Mayer is confident that the production capacity will be strengthened to generate more profits to the shareholders of both the Company and Guangzhou Mayer. The additional capital funding raised by the Open Offer is crucial to the future development of Guangzhou Mayer in its operating industry of manufacturing steel products in the PRC.

Furthermore, the capacity of steel factories will be under further control as the total demand and supply from the steel market of the PRC for the year 2018 will be affected by the sustained effort from both the central and local governments against the “sub-standard steel”, as well as strict compliance on policies in relation to the improvement on environmental friendliness and reduction of capacity. On one hand, there will be growth in steel demand due to construction based on the “Belt and Road” policy and strong development in railway transportation and automobile industries. On the other hand, suffering from reduced growth in investment on real estate industry, the overall steel demand for the year in the PRC could only maintain a trend of stable growth. In short, the steel cutting and steel pipe production operated by the Group are in the supply side of the steel industry. As the market demand of such aspects in the PRC remains strong, there may be further development on both operations.

The growth for overall GDP of the PRC for the year 2018 is expected to be around 6.5%. As there is continuous improvement of living standard in the PRC, both the central and local governments strongly promote the application of stainless steel water pipes. The PRC Ministry of Housing and Construction has promulgated a number of favorable policies such as “Standard of stainless steel pipes for drinking water”, while the local water supply companies have correspondingly formulated the proposal for the reform of water pipe network. Stainless steel pipes will be adopted in the main water supply pipelines, leading to the trend of rapid growth in the domestic demand of stainless steel pipes. The stainless steel pipes and fittings business operated by Guangzhou Mayer, a company located in the developed market in the South China, could enjoy a better development along with the rapid growth of market in this aspect in the PRC, while the steel cutting business will be under great development potential benefitting from local development.

On the contrary, under adverse effects such as weak global economy, weak US dollars, increasing labour costs in the PRC and inflation of other goods, the Group expects that the fluctuation of exchange rates and gradual increase in operating costs will continue in 2018, and it is without doubt that the Group’s overall profitability may be adversely affected. Moreover, the operation of the Group is facing various challenges due to the increasingly fierce market competition. In spite of the difficulties, the Group, especially the new management of Guangzhou Mayer, will continue to strive to seize business opportunities of the PRC market, develop the existing businesses properly and actively explore new businesses. The Group will also continue to explore opportunities in equity investment, seize the potential growth and aim for balanced development.

The management of the Company unanimously believes that with utilising extensive experiences in marketing, product research and development, customer development and services, production operation and cost control, the Group can enhance the competitiveness and additional value of its products, seek the best economic benefits, fully realize any investment opportunities which are beneficial for the long-term development of the Company and generate greater value for the investors of the Company.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that after taking into account the existing financial resources of the Group and the net proceeds from the Open Offer, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Prospectus, in the absence of any unforeseeable circumstances.

4. MATERIAL CHANGE

The Directors confirm that there have been no material change in the financial or trading position or outlook of the Group since 31 December 2017, being the date to which the latest published audited accounts of the Company were made, up to and including the Latest Practicable Date.

5. INDEBTEDNESS OF THE GROUP

As at the close of business on 30 September 2018, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Prospectus, the Group had the following liabilities:

	<i>RMB'000</i>
Unsecured:	
Borrowings	
– Loans from directors	8,247
– Loans from financial institutions	22,728
– Loans from third parties	36,244
	<hr/>
Total borrowings	67,219
	<hr/> <hr/>

As at the close of business on 30 September 2018, the Group had the following contingent liabilities:

- (i) Guangzhou Mayer, a subsidiary of the Company, had received a notice dated 6 December 2017 from the Intermediate Court of Guangzhou Municipality, Guangdong Province (the “**Intermediate Court**”) that the Intermediate Court had received the application of the winding up petition against Guangzhou Mayer filed by Wealth & Health Investments Limited and Taishun Industrial (Inner Mongolia) Food Co., Limited. As at the Latest Practicable Date, the hearing in respect of the winding up petition was scheduled on 27 December 2018.
- (ii) On 29 March 2012, writs of summons were issued by Capital Wealth Finance Company Limited and Capital Wealth Corporation Limited against the Company to claim the sum of HK\$15,500,000 plus relevant legal costs incurred/to be incurred.

Save as disclosed above in the paragraph headed “Indebtedness of the Group” in this appendix and apart from intra-group liabilities and normal trade payables in the ordinary course of the Group’s business, as at the close of business on 30 September 2018, the Directors are not aware of the Group having other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

A. STATEMENT OF UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group prepared in accordance with Paragraph 13 of Appendix 1B and Paragraph 29 of Chapter 4 of the Listing Rules is set out below to illustrate the effects of (i) Share Buy-backs and the cancellation of Consideration Shares, (ii) the Capital Reorganisation, (iii) the allotment and issue of Remuneration Shares and (iv) the Open Offer (hereinafter collectively referred to as the “**Transactions**”) on the consolidated net tangible assets of the Group as if the Transactions had taken place on 30 June 2018. Capitalised terms used herein shall have the same meaning as those defined in the Circular and the Prospectus unless the context otherwise required.

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only, based on the judgements and assumptions of the Directors of the Company, and because of its hypothetical nature, may not give a true picture of the financial position of the Group following the Transactions.

The following statement of unaudited pro forma adjusted consolidated net tangible assets of the Group is based on the unaudited consolidated net tangible assets of the Group as at 30 June 2018, adjusted as described below:

Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 3018 (Note 1) RMB'000	Estimated net proceeds from the Open Offer (Note 2) RMB'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 30 June 2018 RMB'000
181,872	231,770	413,642

Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2018 <i>(Note 1)</i>	Estimated net proceeds from the Open Offer <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 30 June 2018
		<i>RMB</i>
Unaudited consolidated net tangible assets per share before completion of the Share Buy-backs, the cancellation of Consideration Shares, the Capital Reorganisation, the allotment and issue of the Remuneration Shares and the Open Offer <i>(Note 3)</i>		<u><u>0.20</u></u>
Unaudited consolidated net tangible assets per share immediately after completion of the Share Buy-backs and the cancellation of Consideration Shares but before the Capital Reorganisation, the allotment and issue of the Remuneration Shares and the Open Offer <i>(Note 4)</i>		<u><u>0.26</u></u>

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2018 <i>(Note 1)</i>	Estimated net proceeds from the Open Offer <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 30 June 2018
			<i>RMB</i>
Unaudited consolidated net tangible assets per share immediately after completion of the Share Buy-backs, the cancellation of the Consideration Shares and the Capital Reorganisation but before the allotment and issue of the Remuneration Shares and the Open Offer <i>(Note 5)</i>			<u><u>0.53</u></u>
Unaudited consolidated net tangible assets per share immediately after completion of the Share Buy-backs, the cancellation of the Consideration Shares, the Capital Reorganisation and the allotment and issue of the Remuneration Shares but before the Open Offer <i>(Note 6)</i>			<u><u>0.52</u></u>

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2018 <i>(Note 1)</i>	Estimated net proceeds from the Open Offer <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 30 June 2018
			<i>RMB</i>
Unaudited pro forma adjusted consolidated net tangible assets per share immediately after completion of the Share Buy-backs, the cancellation of the Consideration Shares, the Capital Reorganisation, the allotment and issue of the Remuneration Shares and the Open Offer <i>(Note 7)</i>			<u>0.24</u>

Notes:

1. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2018 are extracted from the unaudited consolidated statement of financial position of the Group as at 30 June 2018.
2. The estimated net proceeds from the Offer Shares are based on 1,398,400,000 Offer Shares at the Offer Price of HK\$0.20 per Offer Share, after deduction of share issue related expenses payable by the Company of approximately HK\$4,992,000.
3. Based on 927,563,636 shares in issue as at 30 June 2018 before the completion of the Transactions.
4. Based on 691,200,000 shares in issue as at 30 June 2018 immediately after completion of the Share Buy-backs and cancellation of the Consideration Shares but before the Capital Reorganisation, the allotment and issue of the Remuneration Shares and the Open Offer, assuming that the Share Buy-backs and the cancellation of the Consideration Shares had become effective on 30 June 2018.

According to the Settlement Deed, the Company shall re-purchase all the Consideration Shares from Make Success and transfer the shares in Yield Rise to Make Success. Make Success shall surrender and the Company shall cancel all the Convertible Bonds and Promissory Notes. Since (i) the financial statements of Yield Rise Group had not been consolidated into the Group's consolidated financial statements and (ii) the Promissory Notes and Convertible Bonds were not recognised in the Group's consolidated financial statements, therefore, there will not be any impact on the net tangible assets of the Group on the Share Buy-backs.

5. Based on 345,600,000 shares in issue as at 30 June 2018 immediately after completion of the Share Buy-backs, the cancellation of the Consideration Shares and the Capital Reorganisation but before the allotment and issue of the Remuneration Shares and the Open Offer, assuming that the Share Buy-backs, the cancellation of the Consideration Shares and the Capital Reorganisation had become effective on 30 June 2018.
6. Based on 349,600,000 shares in issue as at 30 June 2018 of which 4,000,000 Remuneration Shares were issued as at 30 June 2018 immediately after the completion of the Share Buy-backs, the cancellation of the Consideration Shares and the Capital Reorganisation but before the Open Offer, assuming that the Share Buy-backs, the cancellation of the Consideration Shares, the Capital Reorganisation and allotment and issue of the Remuneration Shares had become effective on 30 June 2018.
7. Based on 1,748,000,000 shares in issued as at 30 June 2018 of which 1,398,400,000 Offer Shares were issued as at 30 June 2018 immediately after the completion of the Share Buy-backs, the cancellation of the Consideration Shares, the Capital Reorganisation and the allotment and issue of the Remuneration Shares, assuming that the Share Buy-backs, the cancellation of the Consideration Shares, the Capital Reorganisation, the allotment and issue of the Remuneration Shares and the Open Offer had become effective on 30 June 2018.

B. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the sole purpose of inclusion in this Prospectus, from the independent reporting accountant, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.



29 October 2018

The Board of Directors
Mayer Holdings Limited
21/F, No. 88 Lockhart Road
Wanchai
Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Mayer Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma adjusted consolidated net tangible assets as at 30 June 2018 ("Unaudited Pro Forma Financial Information") as set out on pages II-1 to II-5 of the Prospectus issued by the Company (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on page II-1.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the of Share Buy-backs, cancellation of Consideration Shares, Capital Reorganisation, allotment and issue of Remuneration Shares and the Open Offer on the Group's net tangible assets as at 30 June 2018 as if the transactions had been taken place at 30 June 2018. As part of this process, information about the Group's net tangible assets has been extracted by the Directors from the Group's consolidated financial statements as included in the interim report for the period ended 30 June 2018, on which no audit or review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 13 of Appendix 1B and paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2018 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and

- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We make no comments regarding the reasonableness of the amount of net proceeds from the open offer, the application of those net proceeds, or whether such use will actually take place as described under "Reasons for and use of proceeds from the Open Offer" set out on pages 26 to 28 of the Prospectus.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Sze Lin Tang
Practising Certificate Number P03614
Hong Kong

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) assuming the Open Offer has completed will be as follows:

(i) As at the Latest Practicable Date:

<i>Authorised</i>		<i>HK\$</i>
<u>4,000,000,000</u>	Adjusted Shares	<u>800,000,000.00</u>
<i>Issued and fully paid</i>		
<u>349,600,000</u>	Adjusted Shares	<u>69,920,000.00</u>

(ii) Assuming the Open Offer has completed

<i>Authorised</i>		<i>HK\$</i>
<u>4,000,000,000</u>	Adjusted Shares	<u>800,000,000.00</u>
 <i>Issued and fully paid</i>		
<u>349,600,000</u>	Adjusted Shares as at the Latest Practicable Date	<u>69,920,000.00</u>
<u>1,398,400,000</u>	Offer Shares to be allotted and issued	<u>279,680,000.00</u>
<u>1,748,000,000</u>	Adjusted Shares	<u>349,600,000.00</u>

All the existing Adjusted Shares in issue are listed on the Stock Exchange and rank *pari passu* in all respects with each other including rights to dividends, voting and return of capital.

When issued and fully paid, the Offer Shares will rank *pari passu* in all respects with the Adjusted Shares then in issue. Holders of the fully-paid the Offer Shares will be entitled to receive all dividends and distributions which are declared, made or paid after the date of allotment and issue of the Offer Shares in their fully-paid form.

The Offer Shares to be issued will be listed on the Stock Exchange. None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is proposed to be sought. As at the Latest Practicable Date, there were no dealing and settlement arrangements on the Stock Exchange and between the Company and the Stock Exchange.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

Save for the Share Buy-backs, the Company had not issued any Shares and/or Adjusted Shares and no Shares and/or Adjusted Shares had been bought back since 31 December 2017 (being the date to which the latest published audited financial statements of the Group were made up) and up to and including the Latest Practicable Date. Further, save for the Share Buy-backs, no Shares and/or Adjusted Shares had been bought back by the Company during the period of 12 months immediately preceding the Latest Practicable Date.

The Company did not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Adjusted Shares and had not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Adjusted Shares as at the Latest Practicable Date.

There was no re-organisation of capital of the Company during the two financial years preceding the date of the Announcement.

3. DISCLOSURE OF INTERESTS

1. Interests of Directors

As at the Latest Practicable Date, the interests and short positions of Directors and chief executive of the Company in the Adjusted Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they were taken or deemed to have taken under such provisions of the SFO) or (ii) were recorded in the register required to be kept under section 352 of the SFO, or (iii) were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules were as follows:

Long positions in the Adjusted Shares and underlying shares of the Company

Name of director	Capacity	Number of Adjusted Shares Held	Approximate percentage of the total issued share capital of the Company
Mr. Lin Jinhe (Note)	Interest in controlled corporation	50,000,000	14.30%

Note: The 50,000,000 Adjusted Shares are held by Bumper East and Bumper East is wholly owned by Mr. Lin Jinhe, an executive Director. Thus, Mr. Lin Jinhe is deemed to be interested in the 50,000,000 Adjusted Shares held by Bumper East pursuant to the SFO.

Save as disclosed above, no other interests or short positions in the Adjusted Shares, underlying shares or debentures of the Company or any of its associated companies were notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO; or were recorded in the register required to be kept under section 352 of the SFO; or was otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

2. Substantial shareholders

As at the Latest Practicable Date, the following persons (not being Directors and chief executive of the Company) had an interest or short position in the Adjusted Shares underlying shares or debentures of the Company as recorded in the register required to be kept under section 336 of the SFO which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name	Capacity/nature of interest	Number of Adjusted Shares	Approximate percentage of the total issued share capital of the Company
Bumper East	Beneficial owner	50,000,000	14.30%
Mr. Lin Jinhe	Interest in controlled corporation	50,000,000	14.30%
Aspial Investment (Note)	Beneficial owner	50,000,000	14.30%
Mr. Chen Wei (Note)	Interest in controlled corporation	50,000,000	14.30%

Note: The 50,000,000 Adjusted Shares are held by Aspial Investment and Aspial Investment is wholly owned by Mr. Chen Wei. Thus, Mr. Chen Wei is deemed to be interested in the 50,000,000 Adjusted Shares held by Aspial Investment pursuant to the SFO.

As at the Latest Practicable Date, save as disclosed above in this section, no person had any interest in 10% or more of the issued voting shares of any member of the Group.

Save as disclosed above, the Directors and chief executive of the Company are not aware, as at the Latest Practicable Date, of any person (who are not Directors and chief executive of the Company) who had an interest or short position in the Adjusted Shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. INTEREST OF DIRECTORS

As at the Latest Practicable Date:

- (i) none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2017 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (ii) none of the Directors was materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not expiring or terminable by the Group within one year without payment of compensation (other than statutory compensation).

6. LITIGATION

Brief descriptions of the relevant ongoing legal actions in relation to Guangzhou Mayer are provided as follows:

The PRC: Claim Disputes of (2017)粵0391民初2337號、2338號 and 2367號

Guangzhou Mayer filed three claim petitions to the Court of Qianhai Cooperation District, Shenzhen, Guangdong Province (廣東省深圳前海合作區人民法院 or the “**Qianhai Court**”) against three investment companies for the refund of the investment sums of a total sum of RMB50 million that Guangzhou Mayer had provided wrongfully.

As at the Latest Practicable Date, the three claim petitions have been taken up by the People’s Court of Futian District of Shenzhen City (the “**Futian Court**”) from the Qianhai Court and the respective dates of hearing of the claim disputes of (2017)粵0391民初2338號 and (2017)粵0391民初2367 have been scheduled on 20 November 2018. The court case numbers of the above-mentioned two claim disputes have been changed to (2018)粵0304民初32722號 and (2018)粵0304民初32714號 respectively by the Futian Court. Considering the advice and opinions from the police authority and the lawyers, Guangzhou Mayer had withdrawn the claim dispute of (2017)粵0391民初2337號.

The PRC: Winding Up Petition of (2017)粵01民初396號

Guangzhou Mayer received a notice dated 6 December 2017 from the Intermediate Court of Guangzhou Municipality, Guangdong Province (the “**Intermediate Court**”) that the Intermediate Court had received the application of the winding up petition against Guangzhou Mayer filed by Wealth & Health Investments Limited and 泰順興業(內蒙古)食品有限公司* (Taishun Industrial (Inner Mongolia) Food Co., Limited).

As at the Latest Practicable Date, the date of hearing in respect of the winding up petition was scheduled on 27 December 2018.

The Company is also involved in the following material litigations:

Hong Kong: Action No. HCA 64/2012

The Company commenced the HCA64/2012 Action by way of a writ of summons dated 12 January 2012 and an amended writ of summons dated 6 March 2012 whereby it was purported that the Company was defrauded by relying on two letters of intent (which was claimed to be false and misleading) issued by each of Tan Thang Construction Commercial Investment Joint Stock Company (“**Tan Thang**”) and Hop Thanh Trading-Electronics-Telecom Service Joint Stock Company (“**Hop Thanh**”) which formed the basis of the valuation conducted by Grant Sherman Appraisal Limited, which in turn, was relied on to determine the consideration under the Acquisition Agreement. The said two letters of intent, which were issued by Tan Thang and Hop Thanh respectively, stated their intention to conduct business at the Dan Tien Port project.

On 20 July 2018 (after trading hours), the Company entered into the Settlement Deed. Pursuant to the Settlement Deed, amongst others, all the claims and/or counterclaims that each party has or may have against the other party under the HCA64/2012 Action shall be released, which is subject to the approvals from at least 75% of the votes cast by Independent Shareholders at the EGM, and the approval from the Court on the application jointly made by Make Success and the Company to discontinue the action.

The Settlement Deed and the transactions contemplated thereunder have been approved by the Independent Shareholders at the EGM on 15 October 2018 and the application for the discontinuance of the HCA64/2012 Action jointly made by Make Success and the Company has been approved by the Court on 19 October 2018.

Hong Kong: Action No. HCA156/2015

On 19 January 2015, the Company issued a writ of summons in the Court of First Instance of the High Court of Hong Kong claiming against the former company secretary and chief financial controller of the Company, Mr. Chan Lai Yin, Tommy, for having wrongfully deprived the Company of access to or possession of certain documents, information and records which belonged to the Company and wrongfully refused to disclose the relevant passwords for the computer server and laptop of the Company.

As at the Latest Practicable Date, the Court of First Instance of the High Court of Hong Kong had not yet decided on the date of hearing.

Hong Kong: Miscellaneous Proceedings No. 1673 of 2016

The petition has been filed and served and the captioned case is proceeding in due course.

Hong Kong: Action No. HCA 2347 of 2017

The statement of claim has been filed and served and the captioned case is proceeding in due course.

Hong Kong: Miscellaneous Proceedings No. HCMP 1727 of 2018

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

As at the Latest Practicable Date, the date of hearing in respect of the Petition was scheduled on 13 February 2019.

Save as disclosed above, as at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. EXPENSES

The estimated expenses in connection with the Open Offer, including the underwriting commission and registration fee, were approximately HK\$5 million which are payable by the Company.

8. SUMMARY OF MATERIAL CONTRACTS

The following contracts, not being contracts entered into in ordinary course of business of the Group, have been entered into by the members of the Group within two years preceding the Latest Practicable Date which are, or maybe, material:

- (a) the Settlement Deed;
- (b) the Underwriting Agreement; and
- (c) the Supplemental Agreement.

9. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective associates had any interests in a business which competes or may compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group.

10. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given opinion and advice, which is contained in this Prospectus:

Name	Qualification
ZHONGHUI ANDA CPA Limited	Certified Public Accountants

ZHONGHUI ANDA CPA Limited has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letter and/or report and/or opinion (as the case may be) and references to its name in the form and context in which they included.

As at the Latest Practicable Date, ZHONGHUI ANDA CPA Limited was not beneficially interested in the share capital of any member of the Group nor had any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe

for securities in any member of the Group nor had any interest, either direct or indirect, in any assets which have been, since the date to which the latest published audited consolidated financial statements of the Group were made up (that is, 31 December 2017), acquired, disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

11. CORPORATE INFORMATION

Registered office	PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands
Head office and principal place of business	21st Floor, No. 88 Lockhart Road, Wan Chai, Hong Kong
Company secretary	Mr. Leung Kwok Fai Ben Rich
Authorised representatives	Mr. Lee Kwok Leung Mr. Leung Kwok Fai Ben Rich
Auditors	ZHONGHUI ANDA CPA Limited Unit 701-3 & 8, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong
Principal share registrar and transfer office	Tricor Services (Cayman Islands) Limited P.O. Box 10008, Willow House, Cricket Square, Grand Cayman KY1-1001, Cayman Islands
Hong Kong branch share registrar and transfer office	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

Principal bankers	The Hongkong and Shanghai Banking Corporation Limited Shops 110-120, 1/F., Emperor Group Centre, 288 Hennessy Road, Wan Chai, Hong Kong
	Hang Seng Bank Limited 83 Des Voeux Road Central, Hong Kong

12. PARTIES INVOLVED IN THE OPEN OFFER

Financial adviser to the Company	Veda Capital Limited Room 1106, 11/F., Wing On Centre, 111 Connaught Road Central, Hong Kong
Underwriters	Yicko Securities Limited 19/F Tung Ning Building, 125-127 Connaught Road Central, Hong Kong
	President Securities (Hong Kong) Limited Units 2603-06, 26/F, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong
	Kam Fai Securities Company Limited 21/F, Champion Building, 287-291 Des Voeux Road Central, Hong Kong
Legal adviser to the Company	<i>As to Hong Kong Law:</i> P. C. Woo & Co. 12th Floor, Prince's Building, Central, Hong Kong

13. PARTICULARS OF DIRECTORS AND COMPANY SECRETARY

Name	Address
Executive Directors	
Mr. Lee Kwok Leung	House 17, Santa Barbara Avenue, Royal Palms Phase B, Yuen Long, New Territories Hong Kong
Mr. Xu Lidi	Room 1302, Block A Hong Hao Garden, Xiang Mei Bei Futian District, Shenzhen China
Mr. Lin Jinhe	Rue Da Ribeira Do Patane Edificio Hing Wah Court Court 16, "G" Macau
Non-executive Directors	
Mr. Wang Dongqi	Flat 1304, Block 13, No.634 Yuan, Zhong Zhou Da Dao, Jin Shui Qu, Zhengzhou City, Henan Province China
Independent Non-executive Directors	
Mr. Lau Kwok Hung	Flat 10B2, Skypark 17 Nelson Street Kowloon Hong Kong
Mr. Deng Shimin	33 Seaview Point Point Cook Victoria 3030 Australia
Ms. Chen Yen Yung	Flat A, 35/F., Block 5 Discovery Park, 398 Castle Peak Road Tsuen Wan, New Territories Hong Kong
Company Secretary	
Mr. Leung Kwok Fai Ben Rich	6G, Block 30 Laguna City Cha Kwo Ling, Kowloon Hong Kong

Executive Directors**Mr. Lee Kwok Leung (“Mr. Lee”) (Chairman)**

Mr. Lee, aged 64, was nominated and appointed as an executive Director and the chairman of the Company by the Shareholders at the first extraordinary general meeting in 2014. Mr. Lee is also the chairman of the nomination committee of the Board, an authorised representative and a director in a number of subsidiaries of the Company. Mr. Lee has approximately 23 years of experience in asset management for professional and institutional investors. Mr. Lee has extensive experience in portfolio construction, portfolio management, risk assessment and investment due-diligence. Mr. Lee was a managing director of BOCI Direct Management Limited from 1992 to 1999, when he was responsible for the overall management of the private equity fund. Mr. Lee is a responsible officer of Silverstone Investments Limited (formerly known as Success Talent Investments Limited), a Type 4 and 9 regulated entity registered with the SFC.

Mr. Lee is currently an executive director of Opes Asia Development Limited (stock code: 810), a company listed on the main board of the Stock Exchange, an independent non-executive director of Imperial Pacific International Holdings Limited (formerly known as First Natural Foods Holdings Limited) (stock code: 1076), a company listed on the main board of the Stock Exchange, and was a non-executive director of Starlight Culture Entertainment Group Limited (formerly known as Karce International Holdings Company Limited, and subsequently Sinogreen Energy International Group Limited and Jimei International Entertainment Group Limited) (stock code: 1159), a company listed on the main board of the Stock Exchange, until 31 August 2013.

Mr. Xu Lidi (“Mr. Xu”)

Mr. Xu, aged 53, was nominated and appointed as an executive Director by the Shareholders at the second extraordinary general meeting in 2014. Mr. Xu is also a director in a number of subsidiaries of the Company. Mr. Xu obtained a doctoral degree in business administration from Beijing Normal University, the PRC and a doctor of philosophy degree in Economics from Nueva Ecija University of Science and Technology, the Philippines. Mr. Xu has been a visiting-professor of the economic and business and administration at Beijing Normal University. Prior to that, Mr. Xu worked at China Construction Bank and Bank of China for many years. He also was senior management of China Rural Development Trust & Investment Corporation* (中國農村發展信託投資公司), and other financial and business corporations in the PRC. Mr. Xu has more than 20 years of experience in banking and financial sector.

Mr. Xu was a non-executive director of Australian Natural Proteins Limited (stock code: AYB), a company listed on the Australian Stock Exchange Limited.

Mr. Lin Jinhe (“Mr. Lin”)

Mr. Lin, aged 40, was nominated and appointed as an executive Director by the Shareholders at the second extraordinary general meeting in 2014. Mr. Lin is also a director of one wholly-owned subsidiary of the Company. Mr. Lin has over 13 years of management experience in papermaking industry. Mr. Lin graduated from Beijing Forestry University majoring in pulp and paper manufacturing in 2001.

Non-executive Director**Mr. Wang Dongqi (“Mr. Wang”)**

Since 14 February 2017, Mr. Wang, aged 46, has been a director of Guangzhou Mayer Corporation Limited, a subsidiary company of the Company. Mr. Wang had served in the navy of the PRC, thereafter, Mr. Wang has worked in various corporations in the sectors of trading and investment in the PRC, accumulating more than 13 years extensive working experience in corporate administration and finance management with a powerful friend-sourcing network.

Independent Non-executive Directors**Mr. Lau Kwok Hung (“Mr. Lau”)**

Mr. Lau, aged 72, was appointed as an independent non-executive Director by the Board on 9 October 2014 immediate after the second extraordinary general meeting in 2014. Mr. Lau is also the chairman and a member of the audit committee and remuneration committee of the Board respectively. Mr. Lau is a certified public accountant in Hong Kong and has extensive experience in financial accounting, auditing, taxation, company secretarial matter and corporate finance, especially in mergers, acquisitions and corporate restructuring.

Mr. Lau is a fellow of the Hong Kong Institute of Certified Public Accountants, and formerly, was a fellow of the Association of Certified Accountants and an associate member of the Institute of Cost and Management Accountants. Mr. Lau holds a Senior Executive Master Degree in Business Administration from Charles Darwin University. He also obtained a diploma in Insolvency issued by the Hong Kong Institute of Certified Public Accountants and an executive diploma in International Business Valuation issued by the School of Professional and Continuing Education of the University of Hong Kong.

Mr. Lau is currently an independent non-executive director of Huaxi Holdings Company Limited (stock code: 1689), a company listed on the main board of the Stock Exchange, and was an executive director and company secretary of Neptune Group Limited (formerly known as Mandarin Resources Corporation Limited and subsequently Massive Resources International Corporation Limited) (stock code: 70), a company listed on the main board of the Stock Exchange.

Mr. Deng Shimin (“Mr. Deng”)

Mr. Deng, aged 61, graduated from the Zhengzhou University with a Bachelor Degree in Economics in 1983. Mr. Deng holds a master’s degree in Law rewarded by the China University of Political Science and Law in 1997 and a doctor’s degree in economics rewarded by the Renmin University of China in 2003. Mr. Deng has extensive working experience and supervision in the financial industry. Mr. Deng was qualified as a senior economist and a researcher of the Bank of Communications in 1994 and 1998, respectively. He was appointed as the vice chairman of China Everbright Bank Co., Ltd. in 2001. He was also as the Chairman of the board of supervisors of China Everbright Securities Co., Ltd. (SHA: 601788), a company listed on the Shanghai Stock Exchange, during the years from 2002 to 2003. Mr. Deng was the vice president of the 5th and 6th Henan Institute of Finance, a member of the 7th executive council of China Young Entrepreneurs Association and a committee member of the 8th Chinese People’s Political Consultative Conference of Henan Province, the PRC.

Ms. Chen Yen Yung (“Ms. Chen”)

Ms. Chen, aged 47, studied in The Hong Kong Polytechnic University for higher certificate in accountancy and holds a bachelor’s degree in commerce (accounting) from the Curtin University of Technology, Western Australia. She has over 20 years’ experience in the accounting and finance field. She is a member of the Australian Society of Certified Public Accountants and an associate member of the Hong Kong Society of Accountants (currently known as the Hong Kong Institute of Certified Public Accountants). From February 1995 to February 2001, she was employed by K.L. Lee & Partners CPA Limited (subsequently known as KLL Associates CPA Ltd. and merged with BDO Limited in 2005), a certified practicing accountancy firm in Hong Kong with her last position as assistant manager. From February 2001 to June 2002, she was employed by B&M Consultants Limited (currently known as BMI Consultants Limited), a business consultancy company in Hong Kong with her last position as director. Ms. Chen is currently the company secretary of Zhejiang Yongan Rongtong Holdings Co., Ltd.* (浙江永安融通控股股份有限公司) (formerly known as Zhejiang Yonglong Enterprises Co., Ltd.* (浙江永隆實業股份有限公司)) (stock code: 8211), a joint stock limited company incorporated in the PRC, whose H shares are listed on the GEM of the Stock Exchange.

Company Secretary**Mr. Leung Kwok Fai Ben Rich (“Mr. Leung”)**

Mr. Leung has been appointed as the company secretary and the authorised representative of the Company with effect from 9 August 2017. Mr. Leung is an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators, United Kingdom. Mr. Leung has over 25 years of working experience in audit, accounting, corporate finance as well as listing compliance issues with public companies listed in Hong Kong. Since 2009, Mr. Leung has been the company secretary and the authorised representative of China Health Group Inc. (formerly known as Venturepharm Laboratories Limited (stock code: 8225)), a company listed on the GEM of the Stock Exchange.

14. LEGAL AND BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an acceptance or application is made pursuant to any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance so far as applicable.

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of the Prospectus Documents, having attached thereto the written consent referred to in the paragraph headed “Expert’s Qualification and Consent” in this appendix, has been delivered to the Registrar of Companies in Hong Kong for registration as required by section 342C of the Companies (WUMP) Ordinance.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 6:00 p.m., Monday to Friday (other than public holidays in Hong Kong) at the principal place of business of the Company at 21st Floor, No. 88 Lockhart Road, Wan Chai, Hong Kong for a period of 14 days from the date of this Prospectus:

- (a) the memorandum and articles of association of the Company;
- (b) the Irrevocable Undertakings;
- (c) the Supplemental Undertakings;
- (d) the annual reports of the Company for each of the three years ended 31 December 2015, 31 December 2016 and 31 December 2017;
- (e) the material contracts as referred to in the paragraph headed “Summary of Material Contracts” in this appendix;
- (f) the written consent referred to in the section headed “Expert’s Qualification and Consent” in this appendix;
- (g) the report prepared by ZHONGHUI ANDA CPA Limited setting out their opinion on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;
- (h) a copy of the Circular; and
- (i) a copy of the Prospectus Documents.

17. MISCELLANEOUS

The English text of this Prospectus shall prevail over the Chinese text.