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美亞控股有限公司*

MAYER HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1116)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

The board of directors (the "**Board**") of Mayer Holdings Limited (the "**Company**") is pleased to present the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2020 (the "**Year**"), which have been reviewed by the audit committee of the Company (the "**Audit Committee**"), together with the comparative figures for the year ended 31 December 2019 as follows:

* *For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

	Notes	**2020** **RMB'000**	2019 RMB'000
Revenue	3 & 4	**581,112**	580,456
Cost of sales		**(460,795)**	(515,099)
Gross profit		**120,317**	65,357
Other income	5	**11,258**	11,690
Other net loss		**(9,026)**	(3,319)
Distribution costs		**(33,723)**	(21,297)
Administrative expenses		**(41,125)**	(39,446)
Other operating expenses		**(38)**	(34)
Profit from operations		**47,663**	12,951
Share of loss of a joint venture		**(449)**	–
Share of loss of an associate		**(152)**	(24)
Finance costs	6	**(14,442)**	(2,788)
Profit before tax		**32,620**	10,139
Income tax expense	7	**(11,940)**	(2,064)
Profit for the year	8	**20,680**	8,075
Profit for the year attributable to:			
Owners of the Company		**15,854**	3,322
Non-controlling interests		**4,826**	4,753
		20,680	8,075
Earnings per share			
Basic and diluted *(RMB cents)*	9	**0.73**	0.19

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2020

	2020	2019
	RMB'000	*RMB'000*
Profit for the year	**20,680**	8,075
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations operations	**19,941**	(216)
Items that will not be reclassified to profit or loss:		
Exchange differences on translating foreign operations operations	**(18,769)**	4,134
Other comprehensive income for the year, net of tax	**1,172**	3,918
Total comprehensive income for the year	**21,852**	11,993
Total comprehensive income for the year attributable to:		
Owners of the Company	**17,026**	7,240
Non-controlling interests	**4,826**	4,753
	21,852	11,993

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	Notes	2020 RMB'000	2019 RMB'000
Non-current assets			
Property, plant and equipment		**47,482**	32,642
Right-of-use assets		**7,820**	9,631
Interest in joint ventures		**–**	–
Interest in an associate		**209,335**	209,487
Financial assets at fair value through profit or loss		**–**	7,570
		264,637	259,330
Current assets			
Inventories		**87,635**	82,640
Trade and other receivables	*11*	**384,721**	293,897
Financial assets at fair value through profit or loss		**19**	–
Cash and cash equivalents		**37,575**	146,422
		509,950	522,959
Current liabilities			
Trade and other payables	*12*	**98,749**	101,270
Current tax payables		**11,315**	2,494
Lease liabilities		**1,536**	1,480
Borrowings		**40,000**	78,139
Promissory notes		**127,003**	–
		278,603	183,383
Net current assets		**231,347**	339,576
Total assets less current liabilities		**495,984**	598,906

	2020	2019
	RMB'000	*RMB'000*
Non-current liabilities		
Lease liabilities	**885**	2,444
Promissory notes	**–**	122,677
	885	125,121
NET ASSETS	**495,099**	473,785
Capital and reserves		
Share capital	**391,760**	391,760
Reserves	**43,270**	26,244
Equity attributable to owners of the Company	**435,030**	418,004
Non-controlling interests	**60,069**	55,781
TOTAL EQUITY	**495,099**	473,785

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. GENERAL INFORMATION

Mayer Holdings Limited (the "**Company**") is an exempted company with limited liability incorporated in Cayman Islands and its registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business is located at 21th Floor, No. 88 Lockhart Road, Wan Chai, Hong Kong

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") that are relevant to its operations and effective for its accounting year beginning on 1 January 2020. HKFRSs comprises Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards ("**HKAS**"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amount reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

3. REVENUE

The Group's revenue represents the aggregate of sales value of goods supplied and services provided to customers less goods returned, trade discounts and sales tax. An analysis of the Group's revenue for the year are as follows:

	2020	2019
	RMB'000	*RMB'000*
Sales of steel pipes, steel sheets and other steel products	**536,646**	580,456
Urban renewal projects planning and consulting	**44,466**	–
	581,112	580,456

Disaggregation of revenue from contracts with customers:

	2020		2019	
	Steel – PRC	**Service – PRC**	Steel – PRC	Service – PRC
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Sales of steel pipes, steel sheets and other steel products:				
– Indirect export sales	**52,942**	**–**	77,521	–
– Domestic sales	**454,416**	**–**	476,181	–
– Direct export sales	**29,288**	**–**	26,754	–
Urban renewal projects planning and consulting:				
– Consulting services	**–**	**44,466**	–	–
Total	**536,646**	**44,466**	580,456	–
Timing of recognition of revenue from contracts with customers:				
At a point in time	**536,646**	**–**	580,456	–
Over time	**–**	**44,466**	–	–
	536,646	**44,466**	580,456	–

Sales of steel pipes, steel sheets and other steel products

The Group manufactures and sells steel pipes, steel sheets and other steel products to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Sales to customers are normally made with credit terms of 60 to 180 days. For new customers, deposits or cash on delivery may be required. Deposits received are recognised as a contract liability.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Consulting services

Consulting income from urban renewal projects planning and consulting is recognised in the accounting period in which the services are rendered. The customers pay the consulting service fee to the Group according to the payment schedules as stipulated in the contract.

4. SEGMENT INFORMATION

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information is reported internally to the board of directors of the Company, being the Group's chief operating decision maker, for the purposes of resource allocation and performance assessment. The Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

– Steel – PRC: this segment primarily derive its revenue from the manufacture and trading of steel pipes, steel sheets and other steel products. These products are manufactured in the Group's manufacturing facilities located in the People's Republic of China ("**PRC**").

– Service – PRC: this segment primarily derive its revenue from urban renewal projects planning and consulting in Zhuhai City of Guangdong Province of the PRC.

Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets and current assets with the exception of corporate assets. Segment liabilities include all liabilities including trade and other payables and borrowings managed directly by the segments with the exception of corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. The accounting policies of the reportable segments are the same as the Group's accounting policies. The measure used for reporting segment profit is "EBIT" i.e. "earnings before interest and taxes".

In addition to receiving segment information concerning EBIT, management is provided with segment information concerning revenue, interest income and expenses from cash balances and borrowings managed directly by the segments, depreciation and amortisation, change in fair value of financial assets at fair value through profit or loss, net gain/loss on disposal of property, plant and equipment, impairment loss on trade and other receivables, reversal of impairment loss on trade and other receivables, write down of inventories, reversal of write down of inventories, income tax expenses and additions to non-current segment assets used by the segments in their operations.

Information regarding the Group's reportable segments as provided to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2020 and 2019 is set out below:

Information about reportable segment profit or loss, assets and liabilities:

	Urban renewal projects planning and consulting *RMB'000*	**Sales of steel pipes, steel sheets and other steel products** *RMB'000*	**Total** *RMB'000*
Year ended 31 December 2020:			
Revenue	**44,466**	**536,646**	**581,112**
Segment profit	**34,703**	**39,078**	**73,781**
Finance costs	**(175)**	**(2,053)**	**(2,228)**
Depreciation	**(881)**	**(3,383)**	**(4,264)**
Share of loss of an associate	**(152)**	**–**	**(152)**
Income tax expense	**(9,526)**	**(2,255)**	**(11,781)**
Other material non-cash items:			
Impairment on trade and other receivables	**–**	**374**	**374**
Additions to segment non-current assets	**44**	**17,597**	**17,641**
At 31 December 2020			
Segment assets	**348,829**	**406,974**	**755,803**
Segment liabilities	**19,633**	**113,442**	**133,075**

	Urban renewal projects planning and consulting *RMB'000*	Sales of steel pipes, steel sheets and other steel products *RMB'000*	Total *RMB'000*
Year ended 31 December 2019:			
Revenue	–	580,456	580,456
Segment profit/(loss)	(1,166)	26,146	24,980
Finance costs	(17)	(1,741)	(1,758)
Depreciation	(74)	(3,430)	(3,504)
Share of losses of associates	(24)	–	(24)
Income tax expense	–	(2,064)	(2,064)
Other material non-cash items:			
Impairment on trade and other receivables	–	2,114	2,114
Additions to segment non-current assets	29	4,477	4,506
At 31 December 2019			
Segment assets	279,036	441,795	720,831
Segment liabilities	10,833	156,395	167,228

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities:

	2020	2019
	RMB'000	*RMB'000*
Profit or loss:		
Total profit of reportable segments	**73,781**	24,980
Corporate and unallocated loss	**(53,101)**	(16,905)
Consolidated profit for the year	**20,680**	8,075
Assets		
Total assets of reportable segments	**755,803**	720,831
Corporate and unallocated assets	**18,784**	61,458
Consolidated total assets	**774,587**	782,289
Liabilities		
Total liabilities of reportable segments	**133,075**	167,228
Corporate and unallocated liabilities	**146,413**	141,276
Consolidated total liabilities	**279,488**	308,504

Geographical information:

Since the Group's revenue and assets are derived from customers and operations based in the PRC and accordingly, no further analysis of the Group's geographical information is disclosed.

Revenue from major customers:

Revenue from operations of approximately RMB64,469,000 (2019: Nil) was derived from one customer (2019: Nil) in the sales of steel pipes, steel sheets and other steel products segment which individually contributed 10% or more to the Group's revenue for the years ended 31 December 2020.

5. OTHER INCOME

	2020	2019
	RMB'000	*RMB'000*
Bank interest income	**769**	303
Government subsidy[#]	**1,867**	445
Scrap sales	**8,037**	9,752
Other interest income	**–**	887
Sundry income	**585**	303
	11,258	11,690

[#] *The government subsidy was received from local government authorities for supporting the Group's operation and encouraging innovation of production technology, of which the entitlement was unconditional.*

6. FINANCE COSTS

	2020	2019
	RMB'000	*RMB'000*
Bank interest expenses	**1,920**	1,562
Promissory notes interest	**12,112**	1,014
Lease interest	**273**	33
Other finance charges	**137**	179
	14,442	2,788

7. INCOME TAX EXPENSE

	2020	2019
	RMB'000	*RMB'000*
Current tax		
PRC corporation income tax	**13,192**	2,064
Over provision in prior years	**(1,488)**	–
Withholding tax	**236**	–
	11,940	2,064

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the year ended 31 December 2020. No provision for Hong Kong Profits Tax has been made for the year ended 31 December 2020 as the Group did not generate any assessable profits arising in Hong Kong.

Pursuant to the income tax rules and regulations of the PRC, the subsidiaries in the PRC are liable to PRC Corporate Income Tax at a rate of 25% (2019: 25%) during the year.

During the year, Guangzhou Mayer is accredited as a High and New Tech Enterprise. As being a High and New Tech Enterprise, it was entitled to a reduced corporate income tax rate of 15% for the year.

Additionally, a 10% withholding tax is levied on dividends declared to foreign investors from the PRC effective from 1 January 2008. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and jurisdiction of the foreign investors.

Taxation arising in other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions.

The reconciliation between the income tax expense and the profit before tax multiplied by applicable tax rates is as follows:

	2020	2019
	RMB'000	*RMB'000*
Profit before tax	**32,620**	10,139
Tax at the rates applicable to profit in the countries concerned	**10,198**	4,081
Tax effect of non-deductible expenses	**4,794**	3,310
Tax effect of utilisation of tax losses not recognised in prior year	**–**	(2,497)
Tax effect of tax concession	**(1,800)**	(2,830)
Over provision in prior years	**(1,488)**	–
Withholding tax	**236**	–
Income tax expense for the year	**11,940**	2,064

8. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging the following:

	2020	2019
	RMB'000	*RMB'000*
Auditor's remuneration		
– audit services	**845**	793
– other services	**252**	515
Cost of inventories sold#	**460,795**	515,099
Depreciation	**3,682**	3,398
Depreciation of right-of-use assets	**1,783**	370
Net exchange loss	**778**	905
Expenses related to short-term lease	**523**	475
Net loss on disposal of property, plant and equipment	**318**	221
Staff costs including directors' emoluments		
– Salaries, bonus and allowances	**42,230**	38,742
– Retirement benefits scheme contributions	**2,035**	5,291
	44,265	44,033

Cost of inventories sold includes the followings which are also included in the amounts disclosed separately above.

	2020	2019
	RMB'000	*RMB'000*
Depreciation	**2,740**	2,644
Staff costs	**17,026**	19,306

9. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of approximately RMB15,854,000 (2019: RMB3,322,000) and the weighted average number of 2,158,000,000 ordinary shares (2019: 1,788,438,000 ordinary shares) in issue during the year.

Diluted earnings per share

Diluted earnings per share is equal to basic earnings per share as there are no potential ordinary shares outstanding for both years.

10. DIVIDENDS

The directors do not recommend or declare the payment of any dividend in respect of the years ended 31 December 2020 and 2019.

11. TRADE AND OTHER RECEIVABLES

	2020	2019
	RMB'000	*RMB'000*
Trade receivables	**220,256**	180,816
Less: allowance for doubtful debts	**(5,072)**	(4,695)
	215,184	176,121
Bills receivables	**16,564**	21,995
Prepayment and other deposit	**145,488**	90,401
Other receivables	**6,434**	5,380
Amount due from joint venture	**1,051**	–
	384,721	293,897

Trade receivables are due within 60 to 180 days from the date of billing and may be extended to selected customers depending on their trade volumes and settlement with the Group. Debtors with balances that are more than 6 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The aging analysis of trade receivables, based on invoiced date, and net of allowance, is as follows:

	2020	2019
	RMB'000	*RMB'000*
Within 30 days	**104,402**	56,448
31 to 60 days	**46,642**	56,508
61 to 90 days	**32,743**	34,602
91 to 180 days	**23,616**	23,526
Over 180 days	**7,781**	5,037
	215,184	176,121

Reconciliation of allowance for trade receivables:

	2020	2019
	RMB'000	*RMB'000*
At 1 January	**4,695**	2,581
Allowance for the year	**377**	2,114
At 31 December	**5,072**	4,695

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Current	**Over 30 days past due**	**Over 60 days past due**	**Over 120 days past due**	**Total**
At 31 December 2020					
Weighted average expected loss rate	**1%**	**1%**	**2%**	**23%**	
Receivable amount *(RMB)*	**195,071**	**7,204**	**3,743**	**14,238**	**220,256**
Loss allowance *(RMB)*	**1,651**	**72**	**75**	**3,274**	**5,072**
At 31 December 2019					
Weighted average expected loss rate	1%	1%	2%	25%	
Receivable amount *(RMB)*	154,981	7,976	5,341	12,518	180,816
Loss allowance *(RMB)*	1,550	80	107	2,958	4,695

12. TRADE AND OTHER PAYABLES

	Note	2020 RMB'000	2019 RMB'000
Trade payables	*a*	**38,189**	43,433
Other payables		**39,045**	38,684
Dividend payable		**829**	575
Contract liabilities	*b*	**20,686**	18,578
		98,749	101,270

a Trade payables

The aging analysis of the trade payables, based on invoice date, is as follows:

	2020 RMB'000	2019 RMB'000
Within 30 days	**18,927**	18,586
31 to 60 days	**3,134**	12,038
61 to 90 days	**264**	4,688
91 to 180 days	**6,299**	2,715
181 to 365 days	**2,369**	2,121
Over 365 days	**7,196**	3,285
	38,189	43,433

b Contract liabilities

	As at 31 December 2020	As at 31 December 2019	As at 1 January 2019
	RMB'000	*RMB'000*	*RMB'000*
Manufacturing and sales of steel pipes, steel sheets and other steel products	**20,686**	18,578	12,118

	2020	2019
	RMB'000	*RMB'000*
Revenue recognised in the year that was included in contract liabilities at beginning of year	**18,388**	11,975

Significant changes in contract liabilities during the year:

	2020	2019
	RMB'000	*RMB'000*
Increase due to operations in the year	**20,496**	18,435
Transfer of contract liabilities to revenue	**18,388**	11,975

A contract liability represents the Group's obligation to transfer products or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customers.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Steel pipes, steel sheets and other steel products

In 2020, same as many corporations, the operations of Guangzhou Mayer Corporation Limited ("**Guangzhou Mayer**") was affected to some extent by the unexpected COVID-19 outbreak. In particular, revenue and profit plummeted at the beginning of the pandemic. Nonetheless, as the pandemic in mainland China was increasingly under control while Guangzhou Mayer actively adopted multiple mitigating measures, Guangzhou Mayer eventually recorded an increase in profit as compared with 2019. Looking back to 2020, Guangzhou Mayer achieved a year-on-year growth in operating profit despite the lack in new growth in revenue, which remained largely the same as compared to 2019. In 2020, Guangzhou Mayer upheld its honour as a Contract-abiding and Credit-honouring Enterprise*（守合同重信用企業）in Guangdong Province for 15 consecutive years. It was also named "the Model Star of Stainless Steel Brands*（不鏽鋼品牌標桿之星）" and granted the "Five-Star Brand Certification*（五星品牌認證）", demonstrating the high consumer approval and the leading position of the "MAYER" brand in the industry.

In respect of operation and management, Guangzhou Mayer led the industry by flexibly adopting an entirely online internet marketing model to overcome the barrier to market expansion brought by the pandemic and develop new customers according to the existing social and market conditions. Through the customer selection procedure, prime customers with huge potential were identified with the aims of ensuring the timely inflow of fund from sales and improving the profitability of Guangzhou Mayer, thus effectively averted financial risks. The group-wide comprehensive performance-based appraisal management model was fully implemented in order to improve work efficiency amongst all the staff, to reduce production costs and to secure a reasonable upraising in the corporation's operating profit. It also realised a truly merit-based system and raised the income of the staff.

In respect of technological innovation, Guangzhou Mayer maintained a leading position in the industry. Through years of collaboration with Guangdong University of Technology, other scientific and research institutions and smart manufacturing enterprises, it has not only sped up the research and development of new products and upgraded and replaced its production equipment in an orderly manner, but also enhanced the production efficiency, improved the product quality and facilitated the upgrade and modernisation of the production techniques of the Company by developing various new smart and automatic equipment that suits the Company's needs. With its revolutionary water pipes 5.0 and innovative research and development of new stainless steel water pipes, Guangzhou Mayer won the Best Innovation*(最具創新力) award in the 4th Guangdong-Hong Kong-Macau Greater Bay Area Technology and Innovation Pioneers Competition*(第四屆粵港澳大灣區科創先鋒大賽). In 2020, Guangzhou Mayer submitted a total of nine patent applications including both invention and utility model patents, of which two have been approved.

Urban renewal project planning and consulting

As at 31 December 2020, the Group had several urban renewal planning and consulting service projects in progress. Located in Zhuhai City, these projects had an estimated site area of approximately 480 mu in total (subject to final approval by the government) within their redevelopment zones. In respect of one of these projects, namely the old village redevelopment project of Yuetang Village*(月堂村)located in Sanzao Town, Jinwan District, Zhuhai (the "**Yuetang Village Redevelopment Project**"), land survey has already been completed. Design blueprints for the redevelopment units were being produced, pending review by the relevant government authorities.

The Group will conduct its urban renewal projects planning and consulting services for the redevelopment of old towns, factories and villages ("**Three olds**") in a market-oriented manner. Respective preliminary service agreements have been signed. However, the progress of these projects was inevitably affected by the COVID-19 outbreak at the beginning of 2020. Nevertheless, persons in charge of the Group's project companies expected that the relevant tasks agreed in the preliminary service agreements can be completed by December 2021.

In the year of 2020, the Group's urban renewal projects planning and consulting services started to generate revenue. Such consulting services generated revenue of approximately RMB44,466,000 during the Year. Zhuhai City has witnessed satisfactory progress and results since it proactively embarked on the "Three Old" redevelopment in 2012. Therefore, persons in charge of the Group's project companies believe that participating in the "Three Old" redevelopment projects by way of consulting service may well be one of the Group's business strategies.

MATERIAL ACQUISITION AND DISPOSAL

The Group had no material acquisition and disposal of subsidiaries, associates and joint ventures during the Year.

FINANCIAL REVIEW

Highlight

For the Year, the Group recognised consolidated revenue of approximately RMB581,112,000 representing an increase of 0.1% compared with approximately RMB580,456,000 for the year ended 31 December 2019. Profit for the year attributable to owners of the Company was approximately RMB15,854,000, as compared to the profit for the year attributable to owners of the Company of approximately RMB3,322,000 of 2019. Earnings per share was RMB0.73 cents and RMB0.19 cents for the year ended 31 December 2020 and 2019 respectively.

Revenue and Gross Profit Margin

During the Year, the revenue of the Group was principally derived from the following business segments:

(i) Sales of steel pipes, steel sheets and other steel products

The revenue from domestic sales of steel products in the PRC during the Year was approximately RMB454,416,000, representing a decrease of approximately 4.6% compared with approximately RMB476,181,000 for the last year. The revenue from indirect export sales of steel products in the PRC during the Year was approximately RMB52,942,000, representing a decrease of approximately 31.7% compared with approximately RMB77,521,000 for the last year. The revenue from direct export sales of steel products during the Year was approximately RMB29,288,000 representing an increase of approximately 9.5% while it was approximately RMB26,754,000 for the year of 2019. As a result, the aggregate revenue of this segment decreased by 7.5%, from approximately RMB580,456,000 for the year 2019 to approximately RMB536,646,000 for the Year.

This segment recorded gross profit of approximately RMB75,851,000 for the Year, with a gross profit margin of approximately 14.1%, compared with gross profit of approximately RMB65,357,000 and gross profit margin of approximately 11.3% for the year ended 31 December 2019. The gross profit margin was slightly increased due to the adoption of several new marketing models, including a completely online internet marketing model, which improve work efficiency and reduce production cost. The segment profit for the Year was approximately RMB39,078,000 (2019: RMB26,146,000).

(ii) Urban renewal projects planning and consulting

During the Year, the revenue from consulting services of this segment was approximately RMB44,466,000 (2019: Nil) and the segment profit was approximately RMB34,703,000 (2019: loss RMB1,166,000).

In summary, the gross profit margin of the Group for the Year was 20.7% and 11.3% for the year ended 31 December 2019.

Other Income

The Group's other income decreased from approximately RMB11,690,000 for the year ended 31 December 2019 to approximately RMB11,258,000 for the Year. During the Year, the Group received approximately RMB1,867,000 government subsidy (2019: RMB445,000), but recorded a decrease of scrap sales from approximately RMB9,752,000 for the year ended 31 December 2019 to approximately RMB8,037,000 for the Year, which due to an increase in production effectivity.

Other Net Losses

The Group's other net losses increased from approximately RMB3,319,000 for the year ended 31 December 2019 to approximately RMB9,026,000 for the Year. The increase was mainly due to the change in fair value of financial assets at fair value through profit or loss.

Operating Expenses

For the Year, the total operating expenses of the Group were approximately RMB74,886,000, of which approximately RMB33,723,000 in distribution costs, approximately RMB41,125,000 in administrative expenses and approximately RMB38,000 in other operating expenses, accounting for approximately 5.8%, 7.1% and 0% of revenue for the Year respectively, while the total operating expenses amounts of approximately RMB60,777,000 for the year ended 31 December 2019, of which approximately RMB21,297,000, RMB39,446,000 and RMB34,000 for the distribution cost, administrative expenses and other operating expenses respectively, accounted for approximately 3.7%, 6.8% and 0% of revenue for the corresponding year respectively. The increase in operating expenses was mainly due to the account for full-year operating expenses of urban renew project planning and consulting segment.

Finance Costs

The Group's incurred approximately RMB14,442,000 in finance costs for the Year and approximately RMB2,788,000 for the year ended 31 December 2019. During the Year, the Group's finance cost comprised bank interest expenses approximately RMB1,920,000 (2019: RMB1,562,000), promissory note interest approximately RMB12,112,000 (2019: RMB1,014,000), lease liabilities interest approximately RMB273,000 (2019: RMB33,000) and other finance charges approximately RMB137,000 (2019: RMB179,000).

Profit for the Year Attributable to Owner of the Company

As a result, the Group recorded profit for the Year attributable to owners of the Company of approximately RMB15,854,000, and recorded profit for the year attributable to owners of the Company of approximately RMB3,322,000 of 2019.

Property, Plant and Equipment

As at 31 December 2020, the carrying amounts of property, plant and equipment amounted to approximately RMB47,482,000, representing an increase of approximately 45.5% when compared to RMB32,642,000 as at 31 December 2019. The increase was mainly due to the completion of construction in progress during the Year, which then allocated to : (i) plant and machinery for approximately RMB15,621,000; and (ii) furniture, fixture and office equipment for approximately RMB337,000. As at 31 December 2020 and 2019, no property plant and equipment of the Group were pledged to secure the borrowings granted to the Group.

Right-of-use Assets and Lease Liabilities

As at 31 December 2020, the Group recognized the right-of-use assets and lease liabilities amounted to approximately RMB7,820,000 and RMB2,421,000 respectively, as compared to approximately RMB9,631,000 and RMB3,924,000 respectively as at 31 December 2019. The Group's lease agreements are in terms of fixed periods of 50 years for land and 2 to 3 years for the rest. Right-of-use assets are depreciated over the the lease term on a straight-line basis. Accordingly, depreciation of right-of-use assets for the Year was approximately RMB1,783,000.

Interest in an Associate

Through completion of acquiring Happy (Hong Kong) New City Group Limited ("**Happy New City**") in year of 2019, the Group commenced the new business line on urban renewal project planning and consulting by the end of year 2019. Happy New City, through its invested company named Zhuhai Hau Fa Yue Tang Property Development Limited*（珠海華發月堂房產開發有限公司）("**Hau Fa Yue Tang**"), as an associate of the Group which 49% equity interest indirectly owned by the Company, operates the redevelopment project of Yuetang Village*（月堂村）located in Sanzhao Town, Jinwan District, Zhuhai City. Details of the acquisition of Happy New City were set out in the announcements of the Company dated 11 June 2019, 12 September 2019, 30 September 2019, 31 October 2019, 26 November 2019 and the circular of the Company dated 23 August 2019.

Financial Assets at Fair Value through Profit or Loss

As at 31 December 2020, the financial assets at fair value through profit or loss in sum of approximately RMB19,000 (2019: RMB7,570,000) was incurred from the acquisition of Happy New City in the year of 2019. Contingent consideration receivable of approximately RMB0 (2019: RMB7,187,000) and put option of approximately RMB19,000 (2019: RMB383,000) were designated at these financial assets which were stated at fair value. These valuations were performed by an independent professional surveyor, who revalued the financial assets as at 31 December 2020 according to fair value requirements under HKFRS 9 Financial Instruments.

Inventories

The inventories was amounted to approximately RMB87,635,000 (2019: RMB82,640,000) as at 31 December 2020, representing aggregation of stock in various status being raw materials, working-in-progress, finished goods and goods-in-transit. Raw materials decreased by 19.8% from approximately RMB54,291,000 as at 31 December 2019 to approximately RMB43,533,000 as at 31 December 2020 and finished goods increased by 41.8% from approximately RMB26,635,000 as 31 December 2019 to approximately RMB37,762,000 as at 31 December 2020.

Trade and Other Receivables

Trade and other receivables were amounted to approximately RMB384,721,000 as at 31 December 2020, representing an increase of approximately 30.9% when compared to RMB293,897,000 as at 31 December 2019. Including increases in trade receivables of 22.2%, decrease in bills receivables of 24.7%, increase of other receivable of 19.6% and increase of prepayment and other deposit of 60.9%. The substantial increase in prepayment and other deposit is mainly due to prepayment made to independent third parties service providers in relation to other land redevelopment projects in the business segment of urban renewal projects planning and consulting.

Trade and Other Payables

Trade and other payables were amounted to approximately RMB98,749,000 as at 31 December 2020, representing a slightly decrease of approximately 2.5% when compared to approximately RMB101,270,000 as at 31 December 2019.

Borrowings

As at 31 December 2020 and 2019, the Group's outstanding borrowings were approximately RMB40,000,000 and RMB78,139,000 respectively, in which RMB40,000,000 (2019: RMB40,000,000) was a loan from bank in the PRC dominated in RMB and bearing fixed interest rates of 4.35% to 5.22% in the Year. The rest of the borrowings being loan from third parties dominated in RMB and bearing interest rates of 8% to 10% in the year ended 31 December 2019.

No assets of the Group were pledged to secured the borrowings as at 31 December 2020 and 2019.

Promissory Notes

Upon the completion date of the acquisition of Happy New City on 26 November 2019, the Company issued Promissory Notes ("**PN**") with a principal amount of HK$158,000,000 as a part of the settlement of the consideration. The PN are interest bearing at 3% p.a. payable semi-annually and the maturity date is in 2 years from the date of issue. The fair value of PN upon issuance was assessed in equivalent to approximately RMB122,260,000 (HK$136,089,944) by an independent valuer. The effective interest rate of the PN is 10%.

EMPLOYEE INFORMATION

As at 31 December 2020, the Group had total of 355 (including Directors) employees. Total staff costs for the Year were approximately RMB44,265,000, including retirement benefits cost of approximately RMB2,035,000 and salaries, bonus and allowances approximately RMB42,230,000. Remuneration packages of the Group are maintained at a competitive level to attract, retain and motivate employees and are reviewed on a periodic basis.

The Group always maintains good relationship with its employees and is committed to employee training and development on a regular basis to maintain the quality of products and services. A new share option scheme ("**Share Option Scheme**") was approved and adopted by the Shareholders in annual general meeting on 31 May 2019. The Board considers that the Share Option Scheme will incentivise more persons to contribute positively to the Group, and facilitate the retention and the recruitment of high-calibre staff of the Group. No options were granted, exercised, cancelled or lapsed under the scheme during the Year.

CAPITAL STRUCTURE, FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2020, the authorised share capital of the Company was approximately RMB724,843,000 (HK$800,000,000) divided into 4,000,000,000 Shares and the issued share capital of the Company was approximately RMB391,760,000 (HK$431,600,000) divided into 2,158,000,000 Shares. As at the date of this annual result announcement, the share capital of the Company comprises ordinary Shares only.

During the Year, the Group financed its operations by (i) cash flow from operating activities; (ii) borrowings from bank; and (iii) funding through open offer.

The Group had net current assets of approximately RMB231,347,000 as at 31 December 2020 as compared with approximately RMB339,576,000 as at 31 December 2019. The current ratio (current assets divided by current liabilities) changed to approximately 1.8 times as at 31 December 2020 from 2.9 times as at 31 December 2019. As at 31 December 2020, the Group had a balance of approximately RMB40,000,000 borrowings from bank to finance the Group's working capital and capital expenditures (31 December 2019: from bank and third parties RMB78,139,000).

For the Year, the Group recorded net cash outflow of approximately RMB44,585,000 from its operating activities. The amount was mainly attributed to the profit before tax of approximately RMB32,620,000, together with finance cost of approximately RMB14,442,000, depreciation of approximately RMB3,682,000 and unrealized loss on financial assets at fair value through profit or loss of approximately RMB7,551,000, which were cancel out by net change in inventories of approximately RMB4,995,000 and net change in trade and other receivables of approximately RMB94,267,000. Net cash outflow of approximately RMB18,633,000 was from investing activities for the Year, mainly due to purchase of property, plant and equipment of approximately RMB19,130,000. Net cash outflow of approximately RMB42,165,000 from financing activities for the Year was mainly due to repayment of borrowing and lease liabilities. Banks deposits and cash balances as at 31 December 2020 amounted to approximately RMB37,575,000, mainly denominated in Renminbi and HK dollars (31 December 2019: RMB146,422,000).

The debt-to-equity ratio (total liabilities divided by share capital) as at 31 December 2020 was approximately 71.3% while it was 78.7% as at 31 December 2019. Current portion of borrowings accounted for approximately 5.2% and 10.0% of the total assets of the Group as at 31 December 2020 and 31 December 2019, respectively.

Update on the use of proceeds from Open Offer

On 20 July 2018, the Company entered into underwriting agreements in relation to the underwriting and certain other arrangements in respect of the open offer on the basis of four offer shares for every one share in issue and held on 26 October 2018, being the record date, at the subscription price of HK$0.2 each (the "**Open Offer**"). The Open Offer was completed on 19 November 2018 and totally 1,398,400,000 offer shares were issued. The net proceeds of the Open Offer amounted to approximately RMB243,873,000 (HK$274,894,000) (equivalent to a net price of approximately HK$0.2 per offer share). Details of the Open Offer were set out in the Company's announcements dated 16 January 2018, 20 July 2018, 18 September 2018 and 19 November 2018, the Company's circular dated 21 September 2018 and the Company's prospectus dated 29 October 2018.

During the Year, the Company re-allocated partial of the unused proceeds of capital expenditure in the amount of approximately RMB43,000,000 (equivalent to approximately HK$50,955,000 based on the exchange rate of RMB1=HK$1.185) to general working capital, to support the daily business of the Group. Detail of the change of use of proceeds were set out in the Company's announcement dated 21 December 2020 and 20 January 2021.

As at 31 December 2020, approximately RMB43,396,000 (HK$48,761,000) was used for settling legal, consulting and professional fees and other costs and expenses arising from trading resumption of the Shares, approximately RMB57,024,000 (HK$64,074,000) was used for repayment of outstanding loans, approximately RMB4,713,000 (HK$5,296,000) was used for settling directors' remuneration, approximately RMB26,677,000 (HK$31,682,000) was used for capital expenditure, approximately RMB73,986,000 (HK$83,133,000) was used for the general working capital of the Group and the remaining balance of approximately RMB35,321,000 (HK$41,948,000) remained unutilized, which is expected to be utilized mainly in the year of 2021.

FOREIGN EXCHANGE EXPOSURES

As most of the Group's monetary assets and liabilities are denominated in RMB, US dollars and HK dollars and those currencies remained relatively stable during the Year, the Group was not exposed to any significant foreign exchange risk. In general, it is the Group's policy for each operating entity to borrow in local currencies, where necessary, to minimize currency risk.

CHARGE ON GROUP ASSETS

No assets of the Group were pledged as at 31 December 2020 and 31 December 2019.

CONTINGENT LIABILITIES

The Group has contingent liabilities in connection to the following litigations outstanding up to the date of this announcement:

Writs of Summons against the Company

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 and to be incurred. The Company intends to contest the claim. In the directors' opinion, the ultimate liability, if any, will not have a material impact on the Group's financial position.

LEGAL CASES UPDATE

Claim Disputes in Shenzhen

Reference is made to the Company's announcements dated 13 October 2017, 5 October 2018, 20 November 2018 and 27 November 2018 and circular dated 23 August 2019. Guangzhou Mayer had provided investments in aggregate amounted to RMB50 million, doubtfully, to three investment companies by former management of Guangzhou Mayer. The current management of Guangzhou Mayer considers these investments as deceitful acts committed by the former management of Guangzhou Mayer and the three investment companies, and so proper legal actions have been conducted by Guangzhou Mayer for recovering these investments, including filing claim petitions to the Court of Qianhai Cooperation District, Shenzhen, Guangdong Province* ("**Court of Qianhai**")* and reporting to the relevant police department in the PRC. In October 2018, the People's Court of Futian District of Shenzhen City* ("**Futian District Court**") taken up the mentioned petitions from the Court of Qianhai and had heard on 20 November 2018. The Futian District Court made decisions that two defendants shall repay in total RMB30 millions plus interest for the period of possession of the fund to Guangzhou Mayer.

At the date of this announcement, Guangzhou Mayer has neither been informed that whether the defendants has appealed to such court decisions, nor the defendants has paid Guangzhou Mayer according to such court decisions. Guangzhou Mayer may consider taking further legal action if appropriate. Auditors of the Company expressed their qualified opinion on the issue in the financial statement for the year ended 31 December 2018 with full impairment made in the same year.

Updates on Market Misconduct Tribunal's Determination

By a notice dated 4 March 2016, the Company was notified by the Securities and Futures Commission (the "**SFC**") that it has commenced proceedings in the Market Misconduct Tribunal (the "**MMT**") against (i) the Company for failing to disclose price sensitive information as soon as reasonably practicable; and (ii) certain former senior officers of the Company for their reckless or negligent conduct causing the alleged breach by the Company of the provisions of the statutory corporate disclosure regime. Hearings were held on 1 November 2016 (on liability) and 15 March 2017 (on sanctions) (the "**MMT Proceedings**"). The MMT issued two reports on 7 February 2017 and 5 April 2017 respectively ("**MMT's Determination**"), which (i) found that the Company and each of those former senior officers (together, the "**Specified Persons**") were in breach of the disclosure requirements; and (ii) imposed sanctions on each of the Specified Persons. Details of MMT's Proceedings are set out in the Company's announcements dated 14 March 2016, 8 February 2017 and 6 April 2017.

Following an appeal against the MMT's Determination, the Court of Appeal on 5 June 2020 handed down its judgment which set aside the determination of liability against the Specified Persons, including the Company. However, the Court ordered the case to be remitted to the MMT to consider the limited issue of whether the subject information would be likely to materially affect the price taking into account the post-suspension events.

The hearing before MMT is scheduled to be heard in August 2021.

CAPITAL COMMITMENTS

The Group has no significant capital commitments outstanding at 31 December 2020 and 2019.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial conditions, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. Key risks and uncertainties affecting the Group are set out as below:

Global Economic and Macro-Economic Conditions

The impact of economic conditions on market price and customers' confidence would affect the revenues and results of the Group. The economic growth or decline in the Group's geographical markets that affect customers' demand would affect the Group's business. The Group continues to implement its strategies to develop and explore in different markets thereby reducing its dependency on specific markets.

Investment Risk

To balancing risk and return across investment types are key considerations of investment framework. Risk assessment is one of important aspect of the investment decision process. Management would regularly review and monitor the progress of the investments of the Group and submit to the Board for further strategic adjustments.

Customers' Credit Risk

The maximum exposure to credit risk by the Group which will cause a financial loss due to failure to discharge an obligation by the counterparties is arising from the carrying amounts of the recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the Group has policies in place to determinate credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. The Group only extends credit to customers based on careful evaluation of the customers' financial conditions and credit history. Credit sales of products are made to customers with an appropriate credit history. In addition, the Group reviews the recoverable amount of debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

Liquidity Risk

In management of the liquidity risk, the Group monitors and maintains sufficient reserves of cash and cash equivalents deemed adequate by management to support the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with the relevant loan covenants.

Financial Risk

The Group's major financial instruments include available-for-sale investments, trade and other receivables, cash and bank balances, trade and other payables and bank borrowings. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Compliance Risk

The Board monitors and ensures that the Group is in compliance with the applicable laws, rules and regulations. The Group engages professionals from time to time to keep abreast of the latest developments in the regulatory environment, including legal, financial, environmental and operational developments. The Group also implements a strict control in prohibiting any unauthorised use or dissemination of confidential or inside information.

The Board has reviewed the effectiveness of the Group's internal control and risk management systems covering business, financial and compliance risk of the Group and is satisfied that such systems are effective and adequate for the current operations of the Group.

OUTLOOK

Steel pipes, steel sheets and other steel products

The year of 2021 marks the beginning of the country's 14th Five-Year Plan. In addition, the central government advocated a new domestic and international complementary "dual circulation" economic development directions in which the domestic economic cycle plays a leading role. It also introduced favourable policies that benefit the development of the Guangdong-Hong Kong-Macau Greater Bay Area, in which the Company operates. These developments open the door to new strategic opportunities for economic development and are excellent news for Guangzhou Mayer. In view of people's hopes and aspirations for better life and the continuous rise in consumption power in the country, many local governments are upgrading (from PPR plastic water pipes to stainless steel ones) and overhauling their municipal water supply systems. People are also increasingly aware of the health benefits of the use of stainless steel water pipes and the supply of better water. These trends will bring us golden development opportunities. We have to seize such historic opportunities, stay abreast of the time and foster the business of Guangzhou Mayer.

In respect of carbon steel products, we will further improve our production yield rate, lower our production cost per unit and satisfy the customers' requirements through constant improvement in internal management. We will also fully capitalise on our leadership position in the industry, brand influence and geographical advantage to steadily develop new markets and gradually increase its market share while consolidating the existing markets of our products. With the missions to safeguard quality and help outstanding enterprises achieve success, we will strive to establish the carbon steel business as the most influential supporting and servicing brand for steel users in the Greater Bay Area.

With respect to stainless steel products, we will focus on quality, service and costs. We will continue to step up technological research and modernise our production equipment. At the same time, employees' skills will be enhanced to safeguard product quality, after-sale services will be strengthened to satisfy the customers, the management will be trained to be more cost-conscious, and cost control will be engraved in every employee's mind. According to market analyses for 2021, it is absolutely critical for us to expand the international market of our stainless steel pipes while enlarging our share in the domestic market at the same time. To take our export to the next level, we will have to steadily enlarge our overseas markets, such as Southeast Asia. With the missions to make good pipes, distribute good water, improve the quality of drinking water and provide competitive water supply solutions and services to the customers, the stainless steel business will strive to bring stainless steel pipes to Chinese households.

In view of the mounting pressure on the Group's operations, such as constant market competition, the unending global pandemic, the trade disputes between China and the United States, surging raw material prices, rising labour costs and the vicious price competition adopted by some of our peers, we simply cannot afford to be complacent about our advantages. Nevertheless, the management of the Group and, in particular, Guangzhou Mayer will rise to such challenges by capturing every business opportunity and enlarging our market share.

The management of the Group unanimously believes that by utilising its extensive experience in project study, market analysis and investigation, product research, development and sales, customer development and services, production operation and cost control, we will be able to maintain and expand our customer base and market share, enhance the competitiveness and added value of our products, obtain the best economic benefits and maximise value for our investors.

Urban renewal project planning and consulting

With extensive knowledge of the real estate markets in the Greater Bay Area and Zhuhai City, project companies of the Group have conducted in-depth researches into their subject land lots. With such knowledge and research, the Group will select and develop more land lots with strategic value in these regions while actively identifying more projects that requires consulting services with the aim of fostering the Group's business in these markets.

The Group will also continue to design its projects and coordinate their reporting and development while closely following the promulgation of rules and measures in relation to the “Three Old” redevelopment policy so as to expedite the application, approval and other preliminary internal and external procedures of its projects.

PROSPECTS

Although the development of the pandemic is still uncertain and may still affect our production and operation, particularly export sales, the Group is confident that with the concerted efforts of every country, the impact of the pandemic on us will be limited and will gradually diminish and eventually vanish. Severe market competition will prompt us to keep on improving our marketing capability and excel ourselves. In every challenge lives a greater opportunity. Therefore, our fight will never end. As all of the Group’s business segments address human’s basis needs, our prospects are solid beyond question.

The Board will keep focus on the existing businesses and allocating sufficient financial and/or non-financial resources to different business segments with the aim of realising steady growth and capitalising further on the current market and industry trends. On the other hand, the Board will also explore potential investment opportunities in a cautious and conservative manner to improve the Group’s performance, shareholders’ return and stakeholders’ interests.

CORPORATE GOVERNANCE REPORT

The Board and the management are committed to maintaining and ensuring high standards of corporate governance as good corporate governance can safeguard the interests of all Shareholders and enhance corporate value. The Board continuously reviews and improves the corporate governance practices and standards of the Group from time to time to ensure that business activities and decision making processes are regulated in a proper manner.

The Company has complied with the Corporate Governance Code (the "**CG Code**") and Corporate Governance Report as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") throughout the Year except for the deviations from code provisions A.1.8 of the CG Code, which are explained below.

The then code provision	**Reason for the non-compliance and improvement actions taken or to be taken**
A.1.8	As it took time for the Company to solicit a suitable insurer with an insurance plan at reasonable commercial terms and conditions, the Company did not arrange appropriate insurance cover in respect of legal action against its Directors for the Year.

Save as the aforesaid and in the opinion of the Directors, the Company has met all code provisions as set out in the CG Code during the Year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code during the Year.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the Year (2019: nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities during the Year.

AUDIT COMMITTEE

The Company has had the Audit Committee with written terms of reference in compliance with the CG Code which are available on the respective websites of the Company and the Stock Exchange. It is responsible for reviewing the Group's financial reporting, risk management, internal controls and making recommendations to the Board. The Audit Committee currently comprises three independent non-executive Directors, Mr. Lau Kwok Hung (as the chairman of the committee), Mr. Cheung, Eddie Ho Kuen and Dr. Li Yutong.

The annual results of the Group for the year ended 31 December 2020 have been reviewed by the Audit Committee.

SCOPE OF WORK OF ZHONGHUI ANDA CPA LIMITED

The figures in respect of the Group's consolidated results and related notes to the consolidated financial statements for the year ended 31 December 2020 as set out in this announcement have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on this announcement.

PUBLICATION ON ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is available for viewing on the website of the Stock Exchange at www.hkex.com.hk and on the website of the Company at www.mayer.com.hk. The annual report of the Company for the year ended 31 December 2020 will be dispatched to the Shareholders by end of April 2021, and will be made available for viewing at the aforesaid websites.

By order of the Board
Mayer Holdings Limited
Xu Lidi
Chairman and Executive Director

Hong Kong, 31 March 2021

As at the date hereof, the Board comprises four executive Directors, namely, Mr. Xu Lidi, Mr. Lee Kwok Leung, Mr. Zhou Shi Hao and Mr. Chen Zhirui; one non-executive Director, namely, Mr. Wang Dongqi; and three independent non-executive Directors, namely, Mr. Lau Kwok Hung, Mr. Cheung, Eddie Ho Kuen and Dr. Li Yutong.