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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: 01116)

**(I) STATUS ON RESUMPTION;  
(II) SETTLEMENT DEED AND OFF-MARKET SHARE BUY-BACK;  
(III) PROPOSED CAPITAL REORGANISATION;  
(IV) ALLOTMENT AND ISSUE OF REMUNERATION SHARES;  
AND  
(V) PROPOSED OPEN OFFER ON THE BASIS OF  
FOUR OFFER SHARES FOR EVERY  
ONE ADJUSTED SHARE HELD ON THE RECORD DATE**

**Financial adviser to the Company**

**VEDA | CAPITAL**  
**智 略 資 本**

**I. STATUS ON RESUMPTION**

The Company requested to suspend the trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 9 January 2012 pending the release of an announcement by the Company which was of price-sensitive in nature.

Reference is made to the announcement of the Company dated 16 January 2018, the Company announced that the Stock Exchange agreed to allow the Company to proceed with the Resumption Proposal subject to the completion of all the transactions contemplated under the Resumption Proposal, including but not limited to (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.

## **II. SETTLEMENT DEED**

On 20 July 2018 (after trading hours), the Company entered into the Settlement Deed with Make Success and Yield Rise to resolve the matter of Dan Tien Port project. Pursuant to the Settlement Deed, (i) the Acquisition Agreement shall be rescinded and void from its inception; (ii) all the Consideration Shares shall be repurchased by the Company (i.e. the Share Buy-backs); (iii) Make Success shall surrender and the Company shall cancel all the Promissory Notes; (iv) Make Success shall surrender and the Company shall cancel all the Convertible Bonds; (v) the Company shall transfer the shares in Yield Rise to Make Success; (vi) 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 and discharged absolutely; and (vii) the Company and Make Success shall discharge and release each other for any claims or liabilities whatsoever under the Acquisition Agreement.

### **Implication under the Share Buy-backs Code**

The Share Buy-backs constitutes an off-market share buy-back by the Company under the Share Buy-backs Code. The Company will make an application to the Executive for approval of the Share Buy-backs pursuant to Rule 2 of the Share Buy-backs Code. The Executive's approval, if granted, will normally be conditional upon, among other things, approval of the Share Buy-backs by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at a general meeting of the Company.

Completion of the Share Buy-backs (one of the events that would take place under the implementation of the Settlement Deed) is subject to the condition that the Share Buy-backs having been approved by the Executive. Therefore, the Company will not proceed with the Share Buy-backs unless the Executive approves the Share Buy-backs pursuant to Rule 2 of the Share Buy-backs Code. However, there is no assurance that such approval by the Executive will be granted.

As required by the Share Buy-backs Code, Make Success, Bumper East and the parties acting in concert with each of them will abstain from voting on the resolution(s) to be proposed at the EGM for approving the Settlement Deed and the Share Buy-backs.

The Capital Reorganisation is to be conducted after the completion of the Share Buy-backs contemplated under the Settlement Deed. The allotment of Remuneration Shares and the Open Offer are to be conducted after the Capital Reorganisation. Since each of (i) the Settlement Deed and the Share Buy-backs; (ii) the Capital Reorganisation; (iii) the allotment of Remuneration Shares; and (iv) the Open Offer constitutes a material part of the whole Resumption Proposal, the Company proposes to have all such proposed transactions to be considered by Independent Shareholders in the forthcoming EGM in one single resolution. As a result, Make Success, Bumper East and the parties acting in concert with each of them are required to abstain from voting with respect to the resolution(s).

If the approval from the Independent Shareholders at the EGM in respect of the Settlement Deed and the transactions contemplated thereunder pursuant to the Share Buy-backs Code cannot be obtained on or before the expiry of 9 months from the date of the Settlement Deed (or such other later date to be mutually agreed by the Company and Make Success in writing), the Settlement Deed shall cease and determine (save as and except such clauses stated in the Settlement Deed which shall continue to have full force and effect) and thereafter no party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms thereof.

### **III. PROPOSED CAPITAL REORGANISATION**

As at the date of this announcement, the authorised share capital of the Company was HK\$200,000,000 divided into 2,000,000,000 Shares of a nominal value of HK\$0.10 each, of which 927,563,636 Shares had been issued and were fully paid or credited as fully paid. Immediately upon the completion of the cancellation of all the Consideration Shares, the number of issued Shares will be 691,200,000.

The Company proposes to implement, subject to the approval by the Independent Shareholders, the Capital Reorganisation. The Capital Reorganisation will comprise:

- (i) Share Consolidation: every two (2) issued and unissued Shares of a nominal value of HK\$0.10 each in the capital of the Company will be consolidated into one (1) Adjusted Share of a nominal value of HK\$0.20, such that following such consolidation, the Company's authorised share capital shall be HK\$200,000,000 divided into 1,000,000,000 Shares of a nominal value of HK\$0.20 each. Assuming no further Shares will be issued from the date of this announcement up to the date of the EGM, there will be 345,600,000 Adjusted Shares of a nominal value of HK\$0.20 each in issue which are fully paid or credited as fully paid;
- (ii) Authorised Share Capital Increase: the authorised share capital of the Company is proposed to be increased 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; and
- (iii) Change in Board Lot: as at the date of this announcement, the Shares are traded in board lots of 4,000 Shares. It is proposed that the Adjusted Shares will be changed to be traded in board lots of 10,000 Adjusted Shares.

#### **IV. ALLOTMENT AND ISSUE OF REMUNERATION SHARES**

Pursuant to the engagement letter dated 3 November 2017 entered into between the Company and Veda Capital and having considered the financial position of the Company, it was agreed between the Company and Veda Capital that part of the professional fees amounted to HK\$800,000 charged by Veda Capital in respect of the Resumption will be settled by the allotment and issue of 4,000,000 Remuneration Shares to Veda Capital (or their respective nominees) at an issue price of HK\$0.20 per Remuneration Share, which is equivalent to the Offer Price, subject to and upon the approval by the Independent Shareholders and the approval by the Stock Exchange in respect of the Resumption.

#### **V. THE OPEN OFFER**

The Company proposes to conduct the Open Offer upon the Capital Reorganisation and the Share Buy-backs 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 in issue on the Record Date (assuming that (i) no Shares or Adjusted Shares to be issued or repurchased by the Company from the date of this announcement and up to the Record Date; and (ii) all the Consideration Shares having been cancelled).

##### **Irrevocable Undertakings and Underwriting**

As at the date of this announcement, 100,000,000 Shares are held by each of Aspial Investment, a substantial Shareholder, which is wholly owned by Mr. Chen Wen, and Bumper East, a substantial Shareholder, which is wholly owned by Mr. Lin Jinhe, being an executive Director, representing approximately 10.78% of the issued share capital of the Company. Pursuant to the Irrevocable Undertakings, each of Aspial Investment and Bumper East has irrevocably undertaken to (i) subscribe for 200,000,000 Offer Shares, being their respective full entitlements to the Offer Shares; and (ii) remain as the registered owner of 100,000,000 Shares or, after the Capital Reorganisation becoming effective, 50,000,000 Adjusted Shares respectively owned by them in the same name from the date of the Irrevocable Undertakings up to and including the Latest Time for Acceptance.

On 20 July 2018 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriters in relation to the underwriting and the relevant arrangements in respect of the Open Offer. Subject to the Irrevocable Undertakings and the terms and conditions of the Underwriting Agreement, the Underwriters have agreed to fully underwrite an aggregate of 998,400,000 Offer Shares on a several basis.

## **Waiver pursuant to Rule 7 of the Share Buy-backs Code**

Pursuant to Rule 7 of the Share Buy-backs Code, a company shall not announce or engage in a distribution of shares, which involves raising of capital, following the announcement of a share buy-back for the period beginning on the date of such announcement and ending on the 31st day immediately following completion or withdrawal of the share buy-back. Any person proposing to engage in a share distribution involving raising of capital during the period contemplated by Rule 7 of the Share Buy-backs Code would require consent from the Executive. An application will be made to the Executive for its consent to waive such restriction under Rule 7 of the Share Buy-backs Code in relation to the Open Offer. The Executive may or may not grant its consent to such waiver application.

## **GENERAL**

### **EGM**

The EGM will be convened at which resolution(s) will be proposed to approve (i) the Settlement Deed and the transactions contemplated thereunder; (ii) the Capital Reorganisation; (iii) the allotment and issue of the Remuneration Shares; and (iv) the Open Offer.

Make Success, Bumper East and the parties acting in concert with each of them and those who are involved in or interested in the transactions contemplated under the Settlement Deed and the Share Buy-backs are required to abstain from voting with respect to the resolution for approving the Settlement Deed and the Share Buy-backs. As (a) the Settlement Deed and the Share Buy-backs require approvals from at least 75% of the votes cast at the EGM by the Shareholders other than Make Success, Bumper East and the parties acting in concert with each of them and those who are involved in or interested in the transactions contemplated thereunder (i.e. disinterested Shareholders as defined in the Takeovers Code); (b) the Capital Reorganisation and allotment of Remuneration Shares require approvals from more than 50% of the votes cast at the EGM by the Shareholders (i.e. ordinary resolutions); and (c) the Open Offer requires approvals from more than 50% of the votes cast at the EGM by the Shareholders other than Bumper East (who shall abstain from voting in favour) in accordance with Rule 7.27A(1) of the Listing Rules, the Company puts the proposal to the EGM that all such transactions to be resolved in one single resolution by taking the highest threshold among these transactions for approving the whole proposal in order to meet the necessary rules of each of these transactions, that is, by way of obtaining approvals from at least 75% of the votes cast by Independent Shareholders at the EGM.

## **Circular**

A circular containing, among others, further details of (i) the Settlement Deed and the transactions contemplated thereunder including but not limited to the Share Buy-backs; (ii) the Capital Reorganisation; (iii) the allotment and issue of the Remuneration Shares; (iv) the Open Offer; (v) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Settlement Deed and the transactions contemplated thereunder including but not limited to the Share Buy-backs and the Open Offer; (vi) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Settlement Deed, the Share Buy-backs and the Open Offer; and (vii) a notice convening the EGM, will be despatched to the Shareholders in accordance with the Takeovers Code within 21 days of the date of this announcement or in accordance with the Listing Rules within 15 business day of the date of this announcement, whichever is earlier, i.e. on or before Friday, 10 August 2018.

## **WARNING**

**Trading in the Shares will continue to be suspended until further notice. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.**

**The publication of this announcement does not warrant any approval from the Stock Exchange on the Resumption or any approval from the Executive on the Share Buy-backs. The proposed transactions disclosed in this announcement are also subject to the fulfilment or waiver (as the case maybe) of the relevant conditions precedent. The Company will keep the public informed of the latest development by making further announcements as and when appropriate.**

## **I. STATUS ON RESUMPTION**

The Company requested to suspend the trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 9 January 2012 pending the release of an announcement by the Company which was of price-sensitive in nature.

Reference is made to the announcement of the Company dated 16 January 2018, the Company announced that the Stock Exchange agreed to allow the Company to proceed with the Resumption Proposal subject to the completion of all the transactions contemplated under the Resumption Proposal, including but not limited to (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.

## **II. SETTLEMENT DEED**

### **Background**

On 8 November 2010, the Company entered into the Acquisition Agreement (as amended by a supplemental agreement dated 31 March 2011) with Make Success, where Make Success agreed to sell and the Company agreed to purchase the entire issued share capital of Yield Rise at the total consideration of HK\$620 million. Such consideration was comprised of (i) HK\$100 million in cash as deposit; (ii) HK\$130 million by issue and allotment of the Consideration Shares to Make Success; (iii) HK\$90 million by issue of the Convertible Bonds to Make Success; and (iv) HK\$300 million by issue of the Promissory Notes to Make Success.



The transactions contemplated under the Acquisition Agreement were completed on 9 May 2011, and as a result, (i) a deposit in the amount of HK\$100 million was paid to Make Success; (ii) the Consideration Shares were issued to Make Success; (iii) a sum of HK\$90 million of Convertible Bonds were issued to Make Success; (iv) the Promissory Notes in an amount of HK\$300 million were issued to Make Success; and (v) the Company has acquired the entire issued share capital in Yield Rise.

References are made to the Previous Announcements. 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 and Hop Thanh Trading – Electronics – Telecom Service Joint Stock Company 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 Dan Tien Port project.

The Company claims against Make Success and other defendants for the following Relief:

- (i) rescission of the Acquisition Agreement;
- (ii) repayment of the deposit in the amount of HK\$100 million being made by the Company to Make Success under the Acquisition Agreement; and
- (iii) an injunction to restrain Make Success from disposing of or procuring any person to dispose of, dealing with, or diminishing the value of its assets, whether in its own name or not, and whether solely or jointly owned, in particular, the Consideration Shares, the Convertible Bonds and the Promissory Notes.

### **The Settlement Deed**

On 20 July 2018 (after trading hours), the Company entered into the Settlement Deed with Make Success and Yield Rise to resolve the matter of Dan Tien Port project. Pursuant to the Settlement Deed, (i) the Acquisition Agreement shall be rescinded and void from its inception; (ii) all the Consideration Shares shall be repurchased by the Company from Make Success (i.e. the Share Buy-backs); (iii) Make Success shall surrender and the Company shall cancel all the Promissory Notes; (iv) Make Success shall surrender and the Company shall cancel all the Convertible Bonds; (v) the Company shall transfer the shares in Yield Rise to Make Success; (vi) 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 and discharged absolutely; and (vii) the Company and Make Success shall discharge and release each other for any claims or liabilities whatsoever under the Acquisition Agreement.

**Implementation of the Settlement Deed and subsequent events after the Share Buy-backs and the cancellation of all the Consideration Shares have taken place**

Set out below are (i) the events that would take place under the implementation of the Settlement Deed; and (ii) the subsequent events after the Share Buy-backs and the cancellation of all the Consideration Shares have taken place:

**(i) Events that would take place under the Settlement Deed**

<b>Sequence</b>	<b>Description of events</b>	<b>Conditions</b>
1	The Company shall repurchase and cancel the Consideration Shares from Make Success (i.e. Share Buy-backs)	(i) approvals from at least 75% of the votes cast by Independent Shareholders at the EGM; and (ii) approval from the Executive
	Make Success shall surrender and the Company shall cancel all the Promissory Notes	(i) approvals from at least 75% of the votes cast by Independent Shareholders at the EGM
	Make Success shall surrender and the Company shall cancel all the Convertible Bonds	(i) approvals from at least 75% of the votes cast by Independent Shareholders at the EGM
	The Company shall transfer the shares in Yield Rise to Make Success	(i) approvals from at least 75% of the votes cast by Independent Shareholders at the EGM
	Rescission of the Acquisition Agreement and the Company and Make Success shall discharge and release each other for any claims or liabilities under the Acquisition Agreement	(i) approvals from at least 75% of the votes cast by Independent Shareholders at the EGM
	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 and discharged absolutely	(i) approvals from at least 75% of the votes cast by Independent Shareholders at the EGM; and (ii) approval from the court on the application by Make Success and the Company to discontinue the HCA64/2012 Action



**(ii) Subsequent events after the Share Buy-backs and the cancellation of all the Consideration Shares have taken place**

<b>Sequence</b>	<b>Description of events</b>	<b>Conditions</b>
2	Capital Reorganisation	<ul style="list-style-type: none"><li>(i) approvals from at least 75% of the votes cast by Independent Shareholders at the EGM;</li><li>(ii) approval from the Stock Exchange granting the listing of, and permission to deal in the Adjusted Shares;</li><li>(iii) the Company obtained all necessary consents and approvals regarding the Capital Reorganisation; and</li><li>(iv) completion of the Share Buy-backs contemplated under the Settlement Deed and the cancellation of all the Consideration Shares</li></ul>
3	Allotment and issue of Remuneration Shares	<ul style="list-style-type: none"><li>(i) approvals from at least 75% of the votes cast by Independent Shareholders at the EGM;</li><li>(ii) approval from the Stock Exchange granting the listing of, and permission to deal in the Remuneration Shares;</li><li>(iii) completion of the Share Buy-backs contemplated under the Settlement Deed and the cancellation of all the Consideration Shares; and</li><li>(iv) completion of the Capital Reorganisation</li></ul>
4	Open Offer	<ul style="list-style-type: none"><li>(i) approvals from at least 75% of the votes cast by Independent Shareholders at the EGM;</li><li>(ii) approval from the Stock Exchange granting the listing of, and permission to deal in the Open Offer Shares;</li><li>(iii) completion of the Capital Reorganisation;</li><li>(iv) the waiver pursuant to Rule 7 of the Share Buy-backs Code having been granted by the Executive and not having been withdrawn; and</li><li>(v) the fulfillment of conditions disclosed under section headed “The Underwriting Agreement – Conditions precedent to the Underwriting Agreement”</li></ul>

The repurchase of the Consideration Shares by the Company from Make Success constitute an off-market share buy-back under the Share Buy-backs Code. The implementation of the Share Buy-backs under the Settlement Deed is conditional upon (i) approvals from at least 75% of the votes cast by the Independent Shareholders at the EGM in respect of the Settlement Deed and the transactions contemplated thereunder pursuant to the Share Buy-backs Code; and (ii) the approval from the Executive in relation to the Share Buy-backs having been obtained.

The discharge and release of each other for any claims or liabilities whatsoever under the Acquisition Agreement by the Company and Make Success is subject to and shall take place upon obtaining the court's approval on the release and discharge of the HCA64/2012 Action.

Completion of the Share Buy-backs contemplated under the Settlement Deed and the cancellation of all the Consideration Shares are the prerequisite of the Capital Reorganisation, the allotment and issue of Remuneration Shares and the Open Offer. The Capital Reorganisation, the allotment of Remuneration Shares and the Open Offer are not conditional upon the completion of all events contemplated under the Settlement Deed save for the Share Buy-backs.

Following the approval from at least 75% of the votes cast by the Independent Shareholders at the EGM in respect of the Settlement Deed and the transactions contemplated thereunder pursuant to the Share Buy-backs Code, (i) all the Consideration Shares (i.e. 236,363,636 Shares) will be repurchased by the Company from Make Success and be cancelled; (ii) Make Success shall surrender and the Company shall cancel all the Promissory Notes and all the Convertible Bonds; and (iii) the Group will cease to have any equity interest in any companies in the Yield Rise Group. In addition, subject to the court's approval, 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 and discharged absolutely.

If the approval from the Independent Shareholders at the EGM in respect of the Settlement Deed and the transactions contemplated thereunder pursuant to the Share Buy-backs Code cannot be obtained on or before the expiry of 9 months from the date of the Settlement Deed (or such other later date to be mutually agreed by the Company and Make Success in writing), the Settlement Deed shall cease and determine (save as and except such clauses stated in the Settlement Deed which shall continue to have full force and effect) and thereafter no party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms thereof.

As at the date of this announcement, 927,563,636 Shares had been issued and were fully paid or credited as fully paid by the Company. Immediately upon completion of the cancellation of all the Consideration Shares, the number of issued Shares will be reduced to 691,200,000 Shares.

## **Information on Make Success**

Make Success is a company incorporated in the British Virgin Islands with limited liability and principally engaged in investment holding. Make Success was the vendor under the Acquisition Agreement, who sold the entire issued share capital of Yield Rise to the Company. The entire issued share capital of Make Success is owned by Mr. Zhang Xinyu.

As at the date of this announcement, Make Success holds 236,363,636 Shares which represents approximately 25.48% of the existing total issued share capital of the Company.

## **Information on the Company**

The Company is incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board. The Company is an investment holding company. The Group is principally engaged in the processing and manufacturing of steel sheets and steel pipes.

## **Financial effects of the Settlement Deed**

After the completion of the acquisition of Dan Tien Port Project in May 2011, the management became aware of the problem about Dan Tien Port Project. Therefore, in January 2012, the Group commenced litigation against Make Success and certain parties involved in the acquisition to claim for the damages and rescission of the agreement for breach of the agreement and misrepresentation made by them and repayment of consideration. Therefore, the Directors are in the view that it is appropriate to de-recognise the investment in Yield Rise Group, the Promissory Notes and the Convertible Bonds.

Since the Promissory Notes and the Convertible Bonds issued under the Acquisition Agreement had not been recognized in the consolidated financial statements of the Group and the financial statements of the Yield Rise Group had not been consolidated into accounts of the Company, save for the reduction of the issued share capital of the Company, the Settlement Deed will not materially affect the financial position of the Group.

## **Reasons for and benefits of the Settlement Deed**

The purpose of entering into the Settlement Deed is to resolve the matter of Dan Tien Port project in Vietnam.

According to the pleadings in the HCA64/2012 Action, the then management of the Company pleaded that the consideration for the acquisition of Yield Rise (which indirectly holds a 70% attributable interest in the Dan Tien project) was based on an inflated valuation of the fair value of the Dan Tien Port as at 31 October 2010 prepared under a valuation report dated 13 April 2011, which was arrived at by using false and/or misleading information. The Board believes that it is not commercially viable for the Company to develop the Dan Tien Port project based on an inflated valuation.

In addition, the Board considers that the Company is unable to continue its development in the Dan Tien Port project due to the following reasons:

- (i) the Group does not have sufficient fund and has been unable to raise fund for investing into the Dan Tien Port project following its suspension of trading since 2011;
- (ii) the Company is unable to identify appropriate experts to manage the Dan Tien Port since the acquisition of the same;
- (iii) the Company has been unable to exercise control in Dan Tien Port since the acquisition of the same; and
- (iv) it is not in the interest of the Company to incur additional legal expenses to pursue the claim against Make Success and other relevant parties having considered the advice from its legal advisers.

As the Company has been unable to exercise control in Dan Tien Port project since the acquisition of the same, the Company has no information on the current status of the Dan Tien Port project. As such, and together with the doubt of the commercial viability in developing the Dan Tien Port project and other reasons stated above, the Company has decided to cease the Dan Tien Port project. Upon completion of the Settlement Deed, (i) the Group will cease to have any equity interest in any companies in the Yield Rise Group; (ii) 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 and discharged absolutely; (iii) Make Success shall surrender and the Company shall cancel all the Promissory Notes and all the Convertible Bonds; and (iv) all the Consideration Shares shall be repurchased under the Share Buy-backs and be cancelled.

In addition, the Share Buy-backs will increase the net assets value per Adjusted Share and create greater shareholder value which is in the interest of the Shareholders.

The Directors consider that the Settlement Deed and the transactions contemplated thereunder are able to (i) relieve the Group from the obligations under the Acquisition Agreement and discontinue any further capital commitment to the Dan Tien Port project; and (ii) improve the financial position of the Group.

The Directors (excluding all the members of the Independent Board Committee whose view will be expressed after considering the advice from the Independent Financial Adviser) are of the view that the Settlement Deed and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **Implication under the Share Buy-backs Code**

The Share Buy-backs constitutes an off-market share buy-back by the Company under the Share Buy-backs Code. The Company will make an application to the Executive for approval of the Share Buy-backs pursuant to Rule 2 of the Share Buy-backs Code. The Executive's approval, if granted, will normally be conditional upon, among other things, approval of the Share Buy-backs by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at a general meeting of the Company.

Completion of the Share Buy-backs (one of the events that would take place under the implementation of the Settlement Deed) is subject to the condition that the Share Buy-backs having been approved by the Executive. Therefore, the Company will not proceed with the Share Buy-backs unless the Executive approves the Share Buy-backs pursuant to Rule 2 of the Share Buy-backs Code. However, there is no assurance that such approval by the Executive will be granted.

As required by the Share Buy-backs Code, Make Success, Bumper East and the parties acting in concert with each of them will abstain from voting on the resolution(s) to be proposed at the EGM for approving the Settlement Deed and the Share Buy-backs.

The Capital Reorganisation is to be conducted after the completion of the Share Buy-backs contemplated under the Settlement Deed. The allotment of Remuneration Shares and the Open Offer are to be conducted after the Capital Reorganisation. Since each of (i) the Settlement Deed and the Share Buy-backs; (ii) the Capital Reorganisation; (iii) the allotment of Remuneration Shares; and (iv) the Open Offer constitutes a material part of the whole Resumption Proposal, the Company proposes to have all such proposed transactions to be considered by Independent Shareholders in the forthcoming EGM in one single resolution. As a result, Make Success, Bumper East and the parties acting in concert with each of them are required to abstain from voting with respect to the resolution(s).

Pursuant to Rule 7 of the Share Buy-backs Code, a company shall not announce or engage in a distribution of shares, which involves raising of capital, following the announcement of a share buy-back for the period beginning on the date of such announcement and ending on the 31st day immediately following completion or withdrawal of the share buy-back. Any person proposing to engage in a share distribution involving raising of capital during the period contemplated by Rule 7 of the Share Buy-backs Code would require consent from the Executive. An application will be made to the Executive for its consent to waive such restriction under Rule 7 of the Share Buy-backs Code in relation to the Open Offer. The Executive may or may not grant its consent to such waiver application.

### **III. PROPOSED CAPITAL REORGANISATION**

As at the date of this announcement, the authorised share capital of the Company was HK\$200,000,000 divided into 2,000,000,000 Shares of a nominal value of HK\$0.10 each, of which 927,563,636 Shares had been issued and were fully paid or credited as fully paid. Immediately upon the completion of the cancellation of all the Consideration Shares, the number of issued Shares will be 691,200,000.

The Company proposes to implement, subject to the approval by the Independent Shareholders, the Capital Reorganisation. The Capital Reorganisation will comprise:

- (i) **Share Consolidation:** every two (2) issued and unissued Shares of a nominal value of HK\$0.10 each in the capital of the Company will be consolidated into one (1) Adjusted Share of a nominal value of HK\$0.20, such that following such consolidation, the Company's authorised share capital shall be HK\$200,000,000 divided into 1,000,000,000 Shares of a nominal value of HK\$0.20 each. Assuming no further Shares will be issued from the date of this announcement up to the date of the EGM, there will be 345,600,000 Adjusted Shares of a nominal value of HK\$0.20 each in issue which are fully paid or credited as fully paid;
- (ii) **Authorised Share Capital Increase:** the authorised share capital of the Company is proposed to be increased 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; and
- (iii) **Change in Board Lot:** as at the date of this announcement, the Shares are traded in board lots of 4,000 Shares. It is proposed that the Adjusted Shares will be changed to be traded in board lots of 10,000 Adjusted Shares.

#### **Conditions precedent of the Capital Reorganisation**

The implementation of the Capital Reorganisation is conditional upon:

- (a) the passing of the necessary resolution by the Independent Shareholders by way of poll at the EGM to approve the Capital Reorganisation;
- (b) the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares;
- (c) without prejudice to above, all necessary consents and approvals regarding the Capital Reorganisation having been obtained by the Company; and
- (d) completion of the Share Buy-backs contemplated under the Settlement Deed and the cancellation of all the Consideration Shares.

The Capital Reorganisation is expected to become effective simultaneously with the completion of the Share Buy-backs and the cancellation of all the Consideration Shares after the EGM.



## Fractional entitlement to Adjusted Shares

Fractional Adjusted Shares, if any, arising from the Share Consolidation, will not be allocated to the Shareholders, but will be aggregated and, if possible, sold for the benefit of the Company. Fractional Adjusted Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

## Effect of the Capital Reorganisation

The following table illustrated the share capital structure of the Company before and after the Capital Reorganisation:

	<b>Immediately before the Capital Reorganisation and after the Share Buy-backs and the cancellation of all the Consideration Shares</b>	<b>Immediately after the Capital Reorganisation</b>
Authorised shares	2,000,000,000 Shares	4,000,000,000 Adjusted Shares
Authorised share capital	HK\$200,000,000	HK\$800,000,000
Par value	HK\$0.10	HK\$0.20
Issued shares	691,200,000 Shares	345,600,000 Adjusted Shares
Issued share capital	HK\$69,120,000	HK\$69,120,000

Other than the expenses incurred in the Capital Reorganisation, the implementation of the Capital Reorganisation will not alter the underlying assets, business operation or financial position of the Group, or affect the interests of the Shareholders.

## Reasons for and benefits of the Capital Reorganisation

The purposes of the Capital Reorganisation are to regularise the financial position and capital needs of the Company (and its subsidiaries) and to ensure that the Company's share capital accurately reflects the Company's available assets.

The Capital Reorganisation, including but not limited to, the Share Consolidation and the Change in Board Lot, will allow the value of each board lot to be increased to HK\$2,000 and enable the Company to satisfy the minimum value per board lot of HK\$2,000 as required under the "Guide on Trading Arrangements for Selected Types of Corporate Actions" published by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 (Updated on 25 July 2016). The Authorised Share Capital Increase will provide the Company with greater flexibility for future fundraising by way of equity issuance as and when the circumstances arise. Accordingly, the Directors consider that the Capital Reorganisation is beneficial to and in the interests of the Company and the Shareholders as a whole.

### **Odd lots arrangement and matching services**

In order to facilitate the trading of odd lots (if any) of the Adjusted Shares, the Company will appoint an agent to provide matching services for sale and purchase of odd lots of Adjusted Shares at the relevant market price per Adjusted Share for Shareholders, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Adjusted Shares to make up a full board lot, or to dispose of their holding of odd lots of the Adjusted Shares from date to date. Holders of odd lots of the Adjusted Shares should note that successful matching of the sale and purchase of odd lots of the Adjusted Shares is not guaranteed. Any Shareholder who has any doubt about the odd lots arrangement, is recommended to consult his/her/its own professional advisers.

### **Free exchange of share certificates and trading arrangement**

Subject to the Capital Reorganisation becoming effective, Shareholders may submit share certificates for existing Shares to the Registrar, Computershare Hong Kong Investor Services Limited, is Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, between 9:00 a.m. and 4:00 p.m. on any Business Day during the period from Thursday, 30 August 2018 to Friday, 5 October 2018 (both dates inclusive), to exchange, at the expense of the Company, for new share certificates of the Adjusted Shares. It is expected that the new share certificates for the Adjusted Shares will be available for collection within 10 Business Days after the submission of the existing share certificates to the Registrar for exchange. Thereafter, the share certificates for the existing Shares will cease to be valid for delivery, trading and settlement purpose but will remain effective as documents of legal title and will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) per existing share certificate cancelled or new share certificate issued (whichever is the higher) by the Shareholders. The existing share certificates are in blue colour and the new share certificates will be in orange colour.

## **IV. ALLOTMENT AND ISSUE OF REMUNERATION SHARES**

Pursuant to the engagement letter dated 3 November 2017 entered into between the Company and Veda Capital and having considered the financial position of the Company, it was agreed between the Company and Veda Capital that part of the professional fees amounted to HK\$800,000 charged by Veda Capital in respect of the Resumption will be settled by the allotment and issue of 4,000,000 Remuneration Shares to Veda Capital (or their respective nominees) at an issue price of HK\$0.20 per Adjusted Share, which is equivalent to the Offer Price, subject to and upon the approval by the Stock Exchange in respect of the Resumption.

Veda Capital is not a party acting in concert with any of the Shareholders. As at the date of this announcement, Veda Capital is not an existing Shareholder.

## Allotment and issue of the Remuneration Shares

Major terms of the Remuneration Shares are set out as follows:

Amount to be settled by allotment and issue of the Remuneration Shares: HK\$800,000

Issue price: HK\$0.20 per Remuneration Share, which is equivalent to the Offer Price

Number of Remuneration Shares: 4,000,000 Remuneration Shares in aggregate

For the avoidance of doubt, Veda Capital is entitled to subscribe for the Offer Shares under the Open Offer since the Remuneration Shares will be allotted and issued before the Record Date.

The allotment and issue of Remuneration Shares is conditional upon:

- (a) the passing of the necessary resolution by the Independent Shareholders by way of poll at the EGM to approve the allotment and issue of the Remuneration Shares;
- (b) the Stock Exchange granting the listing of, and permission to deal in, the Remuneration Shares;
- (c) completion of the Share Buy-backs contemplated under the Settlement Deed, and the cancellation of all the Consideration Shares; and
- (d) completion of the Capital Reorganisation.

Assuming (i) the Capital Reorganisation; (ii) the Share Buy-backs; and (iii) the cancellation of all the Consideration Shares becoming effective, the Remuneration Shares represents:

- (i) approximately 1.16% of the issued share capital of the Company as at the date of this announcement;
- (ii) approximately 1.14% of the issued share capital of the Company as enlarged by the allotment and issue of the Remuneration Shares; and
- (iii) approximately 0.23% of the issued share capital of the Company as enlarged by the allotment and issue of the Remuneration Shares and the Offer Shares.

The issue price of HK\$0.20 per Remuneration 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;
- (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 Shares 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; and
- (v) a discount of approximately 69.70% to the audited net assets value per Adjusted Share of approximately HK\$0.66 based on the audited consolidated equity attributable to owners of the Company of approximately RMB186.79 million (equivalent to approximately HK\$229.75 million) as at 31 December 2017 and the issued share capital of 345,600,000 Adjusted Shares assuming the Capital Reorganisation becoming effective.

The issue price of HK\$0.20 per Remuneration Share is equivalent to the Offer Price and was determined after arm's length negotiations among the Company and Veda Capital taking into account (i) the closing price of the Shares on the Last Trading Day; (ii) the expected financial needs of the Company; and (iii) the prolonged suspension of trading in the Shares. The Directors consider that the issue price is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **V. 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 in issue on the Record Date (assuming that (i) no Shares or, after the Capital Reorganisation becoming effective, Adjusted Shares to be issued or repurchased by the Company from the date of this announcement and up to the Record Date; and (ii) all the Consideration Shares having been cancelled).

## **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 date of this announcement, 100,000,000 Shares are held by each of Aspial Investment, a substantial Shareholder, which is wholly owned by Mr. Chen Wen, and Bumper East, a substantial Shareholder, which is wholly owned by Mr. Lin Jinhe, being an executive Director, representing approximately 10.78% of the issued share capital of the Company. Pursuant to the Irrevocable Undertakings, each of Aspial Investment and Bumper East has irrevocably undertaken to (i) subscribe for 200,000,000 Offer Shares, being their respective full entitlements to the Offer Shares; and (ii) remain as the registered owner of 100,000,000 Shares or, after the Capital Reorganisation becoming effective, 50,000,000 Adjusted Shares respectively owned by them in the same name from the date of the Irrevocable Undertakings up to and including the Latest Time for Acceptance.

Save for the Irrevocable Undertakings, as at the date of this announcement, 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 200,000,000 Shares currently owned by Aspial Investment and Bumper East were transferred by Mayer Corporation Development Limited (a former substantial Shareholder) in early 2012.

In mid-2009, Mayer Corporation Development Limited authorised a company, namely Capital Wealth Finance Limited (a company incorporated in Hong Kong), to sell the 200,000,000 Shares on its behalf. In early 2012, Capital Wealth Finance Limited procured each of Aspial Investment and Bumper East to acquire 100,000,000 Shares from Mayer Corporation Development Limited.

Save for the common interest in the Company through their respective shareholding, Bumper East and Aspial Investment have no other relationship with each other.

As at the date of this announcement, the outstanding amount of the Working Capital Loan due to Bumper East by the Company was nil and the Company undertakes that it will not draw down any amount from the Working Capital Loan.

## **The Offer Shares**

Assuming (i) the Capital Reorganisation; (ii) the Share Buy-backs; and (iii) the cancellation of all the Consideration Shares becoming effective, and there is no change in the issued share capital of the Company from the date of this announcement and up to the Record Date, 1,398,400,000 Offer Shares to be allotted and issued represents:

- (i) approximately 4.04 times of the issued share capital of the Company as at the date of this announcement;
- (ii) 4 times of the issued share capital of the Company as enlarged by the allotment and issue of the Remuneration Shares; and
- (iii) 80% of the issued share capital of the Company as enlarged by the allotment and issue of the Remuneration Shares and 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;
- (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 Shares 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; and
- (v) a discount of approximately 69.70% to the audited net assets value per Adjusted Share of approximately HK\$0.66 based on the audited consolidated equity attributable to owners of the Company of approximately RMB186.79 million (equivalent to approximately HK\$229.75 million) as at 31 December 2017 and the issued share capital of 345,600,000 Adjusted Shares upon the Capital Reorganisation becoming effective.



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 on the Last Trading Day; (ii) the expected financial needs of the Company; and (iii) the prolonged suspension of trading in the Shares.

### **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 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 Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant 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 Shares (with the relevant Share certificates) must be lodged with the Registrar for registration by 4:30 p.m. on Monday, 3 September 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.

### **Excluded Shareholders**

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

The Directors will make enquiries pursuant to Rule 13.36(2) of the Listing Rules as to the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange in respect of the issue of the Offer Shares to Overseas Shareholders whose address on the register of members of the Company is in a place outside Hong Kong on the Record Date. If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant jurisdiction or any requirement of the relevant regulatory body or stock exchange in that jurisdiction, not to offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholders.

The results of the enquiries and the basis of exclusion of the Overseas Shareholders will be included in the Prospectus. The Company will send copies of the Prospectus for information only, but will not send any Application Form, to the Excluded Shareholders.

Overseas Shareholders should note that they may or may not be entitled to the Open Offer, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

### **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 (excluding all the members of the Independent Board Committee whose view will be set out in the letter from the Independent Board Committee to be included in the circular) 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.

### **Closure of register of members of the Company**

The register of members of the Company will be closed from Tuesday, 4 September 2018 to Friday, 7 September 2018, both dates inclusive, to determine the eligibility of the Open Offer. No transfer of Shares will be registered during this period.

### **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 Thursday, 4 October 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 Thursday, 4 October 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 Thursday, 4 October 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.

Shareholders with their Shares 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 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.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of the members of the Company on the Record Date must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on Monday, 3 September 2018.

## **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.

## THE UNDERWRITING AGREEMENT

The Board is pleased to announce that 20 July 2018 (after trading hours), the Company entered into the Underwriting 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 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 Capital Reorganisation, the allotment and issue of the Remuneration Shares and 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 Shares or, after the Capital Reorganisation becoming effective, new Adjusted Shares are issued (other than the Offer Shares) and no repurchase of Shares or, after the Capital Reorganisation becoming effective, Adjusted Shares on or before the Record Date);

- (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 Capital Reorganisation, the allotment and issue of the Remuneration Shares and 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 Shares or, after the Capital Reorganisation becoming effective, new Adjusted Shares are issued (other than the Offer Shares) and no repurchase of Shares or, after the Capital Reorganisation becoming effective, 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 Capital Reorganisation, the allotment and issue of the Remuneration Shares and 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 Shares or, after the Capital Reorganisation becoming effective, new Adjusted Shares are issued (other than the Offer Shares) and no repurchase of Shares or, after the Capital Reorganisation becoming effective, 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 Capital Reorganisation, the allotment and issue of the Remuneration Shares and 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 Capital Reorganisation, the allotment and issue of the Remuneration Shares and the Open Offer. As at the date of this announcement, Yicko Securities has entered into agreements with each of the 8 Investors, pursuant to which, the Investors agreed to take up and subscribe for an aggregate of 408,600,000 Untaken Shares, being part of the Untaken Shares to be underwritten by Yicko Securities, equivalent to approximately 23.38% of the enlarged issued share capital of the Company upon completion of the Capital Reorganisation, the allotment and issue of the Remuneration Shares and the Open Offer. Under the agreements, none of the Investors will take up and subscribe more than 10% of the enlarged issued share capital of the Company upon completion of the Capital Reorganisation, the allotment and issue of the Remuneration Shares and the Open Offer.

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 Capital Reorganisation, the allotment and issue of the Remuneration Shares and the Open Offer; and (ii) each of the Investors shall be a third party independent of, not acting in concert with the Underwriters, any other Investor(s), and any other Shareholder(s).

Number of the Offer Shares 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, 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 Posting Date;
- (vii) the Share Buy-backs and the Capital Reorganisation having been completed;
- (viii) the passing by the Independent Shareholders 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, considers 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.

### **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
  - (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.**

### **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\$49.46 million for the settlement of legal, consultancy and professional fees and other costs and expenses arising from the Resumption; (ii) approximately HK\$63.10 million for the repayment of outstanding loans as at the date of this announcement (the “**Outstanding Loans**”); (iii) approximately HK\$5.30 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 who is a substantial Shareholder) as at the date of this announcement; (iv) approximately HK\$97.80 million for the capital expenditure for Guangzhou Mayer; and (v) approximately HK\$59.03 million for the general working capital.

As at the date of this announcement, none of the creditor is a Shareholder in relation to the repayment of the Outstanding Loans.

The Directors (excluding all the members of the Independent Board Committee whose view will be expressed after considering the advice from the Independent Financial Adviser) 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.

### **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 shall abstain from voting in favour) at the EGM by way of poll.

## **INFORMATION REQUIRED UNDER THE TAKEOVERS CODE**

As at the date of this announcement, the Company confirms that:

- (i) the Company has not received any irrevocable commitment to vote for or against the proposed resolutions approving (i) the Settlement Deed and the Share Buy-backs; (ii) the Capital Reorganisation; (iii) the Remuneration Shares; and (iv) the Open Offer, and the transactions contemplated thereunder at the EGM;
- (ii) there is no arrangement (whether by way of option, indemnity or otherwise) under Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or shares of Bumper East and its parties acting in concert which might be material to (i) the Settlement Deed and the Share Buy-backs; (ii) the Capital Reorganisation; (iii) the Remuneration Shares; and (iv) the Open Offer, and the transactions contemplated thereunder;
- (iii) save that the Share Buy-backs contemplated under the Settlement Deed and the cancellation of all the Consideration Shares are the prerequisite of the Capital Reorganisation, there is no arrangement or agreement to which the Company is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to (i) the Settlement Deed and the Share Buy-backs; (ii) the Capital Reorganisation; (iii) the Remuneration Shares; and (iv) the Open Offer, and the transactions contemplated thereunder;
- (iv) save for the Convertible Bonds which shall be cancelled pursuant to the Settlement Deed, there is no outstanding derivative in respect of the securities in the Company entered into by the Company; and
- (v) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Company has borrowed or lent.

As at the date of this announcement, the Company does not believe that (i) the Settlement Deed and the Share Buy-backs; (ii) the Capital Reorganisation; (iii) the Remuneration Shares; and (iv) the Open Offer, and the transactions contemplated thereunder give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If any concern arises after the publication of this announcement, the Company will endeavour to resolve it to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular prepared in accordance with the requirements under the Listing Rules and the Takeovers Code.

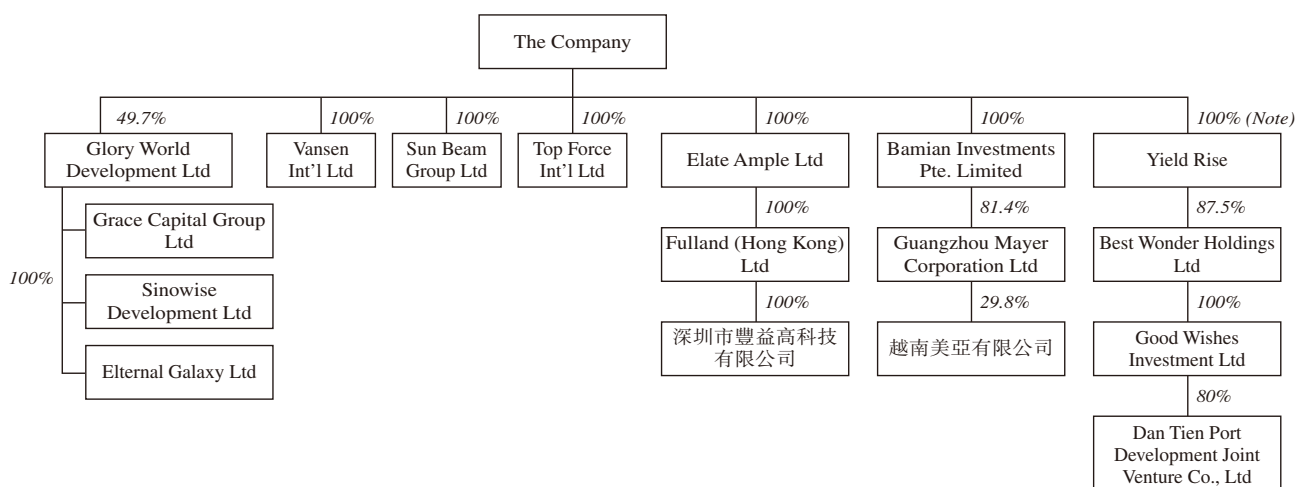
## **FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS**

The Company has not conducted any equity fund raising activities in the previous 12 months immediately preceding the date of the announcement.

## ORGANISATION STRUCTURE OF THE GROUP

Set out below is the organisation structure of the Group immediately before and after completion of the Settlement Deed (if materialised):

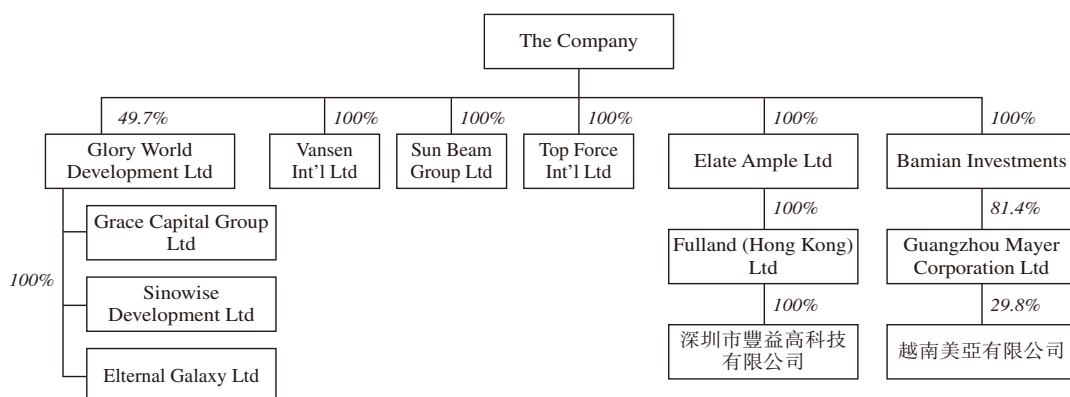
### Organisation structure of the Group immediately before completion of the Settlement Deed



Note:

Following the acquisition of Yield Rise by the Company pursuant to the Acquisition Agreement, the Company was unable to exercise control over Yield Rise Group. As a result, the financial statements of Yield Rise Group have never been consolidated in the Group's consolidated financial statements and the Company did not treat any members of Yield Rise Group as a subsidiary of the Company.

### Organisation structure of the Group immediately after completion of the Settlement Deed





## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purpose, the following tables illustrate the shareholding of the Company upon completion of the transactions contemplated in this announcement:

### (i) Assume full acceptance of the Open Offer

	As at the date of this announcement		(i)		(ii)		(iii)		(iv-A)	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>	<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>
			Immediately after the completion of the Share Buy-backs under the Settlement Deed and the Consideration Shares having been cancelled		Immediately after (i) and the completion of the Capital Reorganisation		Immediately after (ii) and the allotment and issue of the Remuneration Shares		Immediately after (iii) and the Open Offer assuming full acceptance of the Offer Shares	
Make Success	236,363,636	25.48	-	-	-	-	-	-	-	-
Bumper East	100,000,000	10.78	100,000,000	14.47	50,000,000	14.47	50,000,000	14.30	250,000,000	14.30
Aspial Investment	100,000,000	10.78	100,000,000	14.47	50,000,000	14.47	50,000,000	14.30	250,000,000	14.30
<b>Public Shareholders:</b>										
Existing public shareholders	491,200,000	52.96	491,200,000	71.06	245,600,000	71.06	245,600,000	70.25	1,228,000,000	70.25
Veda Capital	-	-	-	-	-	-	4,000,000	1.15	20,000,000	1.15
<b>Total</b>	<b>927,563,636</b>	<b>100.00</b>	<b>691,200,000</b>	<b>100.00</b>	<b>345,600,000</b>	<b>100.00</b>	<b>349,600,000</b>	<b>100.00</b>	<b>1,748,000,000</b>	<b>100.00</b>

**(ii) Assume no acceptance of the Open Offer by Shareholders (other than Bumper East and Aspial Investment)**

	As at the date of this announcement		(i)		(ii)		(iii)		(iv-B)	
	<i>No. of Shares</i>	<i>Approx. %</i>	Immediately after the completion of the Share Buy-backs under the Settlement Deed and the Consideration Shares having been cancelled		Immediately after (i) and the completion of the Capital Reorganisation		Immediately after (ii) and the allotment and issue of the Remuneration Shares		Immediately after (iii) and the Open Offer assuming no acceptance of the Offer Shares by Shareholders (other than Bumper East and Aspial Investment)	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>	<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>
Make Success	236,363,636	25.48	-	-	-	-	-	-	-	-
Bumper East	100,000,000	10.78	100,000,000	14.47	50,000,000	14.47	50,000,000	14.30	250,000,000	14.30
Aspial Investment	100,000,000	10.78	100,000,000	14.47	50,000,000	14.47	50,000,000	14.30	250,000,000	14.30
<b>Public Shareholders:</b>										
Existing public shareholders	491,200,000	52.96	491,200,000	71.06	245,600,000	71.06	245,600,000	70.25	245,600,000	14.05
Veda Capital	-	-	-	-	-	-	4,000,000	1.15	4,000,000	0.23
The Underwriters:										
Yicko Securities	-	-	-	-	-	-	-	-	341,400,000	19.53%
President Securities	-	-	-	-	-	-	-	-	100,000,000	5.72%
Kam Fai Securities	-	-	-	-	-	-	-	-	148,400,000	8.49%
Investors	-	-	-	-	-	-	-	-	408,600,000	23.38%
Total	<u>927,563,636</u>	<u>100.00</u>	<u>691,200,000</u>	<u>100.00</u>	<u>345,600,000</u>	<u>100.00</u>	<u>349,600,000</u>	<u>100.00</u>	<u>1,748,000,000</u>	<u>100.00</u>

## EXPECTED TIMETABLE

The expected timetable for the Share Buy-backs, the Capital Reorganisation, the allotment and issue of the Remuneration Shares and the Open Offer set out below is indicative only:

<b>Event</b>	<b>Expected time and date</b>
Publication of this announcement on the website of the Stock Exchange	Friday, 20 July 2018
Despatch of the circular	Friday, 10 August 2018
Latest time for lodging transfers of Shares in order to qualify for the attendance and voting at the EGM	4:30 p.m. on Thursday, 23 August 2018
Register of members closes to determine the qualification for attendance and voting at the EGM (both dates inclusive)	Friday, 24 August 2018 to Wednesday, 29 August 2018
Latest time and date for lodging form of proxy for the EGM	2:00 p.m. on Monday, 27 August 2018
Record date for the EGM	Wednesday, 29 August 2018
Time and date of EGM	2:00 p.m. on Wednesday, 29 August 2018
Announcement of results of the EGM	Wednesday, 29 August 2018
<b>If approvals sought at the EGM are obtained:</b>	
Expected effective date of the Capital Reorganisation (including the Share Consolidation, the Authorised Share Capital Increase and the Change in Board Lot) and the Share Buy-backs	Thursday, 30 August 2018
Allotment and issue of the Remuneration Shares	Thursday, 30 August 2018
Last day of dealings in the Adjusted Shares on cum-entitlement basis	Thursday, 30 August 2018
Free exchange of existing share certificates for Adjusted Shares commences	Thursday, 30 August 2018
First day of dealings in the Adjusted Shares on ex-entitlement basis	Friday, 31 August 2018

<b>Event</b>	<b>Expected time and date</b>
Latest time for lodging transfers of Shares in order to qualify for the Open Offer	4:30 p.m. on Monday, 3 September 2018
Register of members closes to determine the eligibility of the Open Offer (both dates inclusive)	Tuesday, 4 September 2018 to Friday, 7 September 2018
Record Date for the Open Offer	Friday, 7 September 2018
Despatch of the Prospectus Documents	Monday, 10 September 2018
Latest Time for Acceptance	4:00 p.m. on Monday, 24 September 2018
Latest Time for Termination	4:00 p.m. on Wednesday, 26 September 2018
Announcement of results of acceptance of the Offer Shares and excess application for the Offer Shares	Wednesday, 3 October 2018
Despatch of share certificates for the Offer Shares	Thursday, 4 October 2018
Despatch of refund cheques if the Open Offer is terminated	Thursday, 4 October 2018
Expected date of Resumption and commencement of dealings in the Offer Shares (if all the resumption condition are fulfilled)	Friday, 5 October 2018
Last day of free exchange of existing share certificates for new certificates for Adjusted Share	Friday, 5 October 2018
Odd lot matching arrangement commences	Friday, 5 October 2018
Odd lot matching arrangement ends	Friday, 26 October 2018

*Note:*

All times and dates in this announcement refer to Hong Kong local time and dates. Shareholders should note that the times and dates specified in this announcement for events in the timetable for (or otherwise in relation to) the Share Buy-backs, the Capital Reorganisation, the Remuneration Shares and the Open Offer are indicative only and may be extended or varied by agreement between the Company and the Underwriters

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

All times stated in this announcement 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, 24 September 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, 24 September 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, 24 September 2018, the dates mentioned in the section headed “Expected Timetable” in this announcement may be affected. The Company will notify Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

## **GENERAL**

### **EGM**

The EGM will be convened at which resolution(s) will be proposed to approve (i) the Settlement Deed, the Share Buy-backs and the transactions contemplated thereunder; (ii) the Capital Reorganisation; (iii) the allotment and issue of the Remuneration Shares; and (iv) the Open Offer.

Make Success, Bumper East and the parties acting in concert with each of them and those who are involved in or interested in the transactions contemplated under the Settlement Deed and the Share Buy-backs are required to abstain from voting with respect to the resolution for approving the Settlement Deed and the Share Buy-backs. As (a) the Settlement Deed and the Share Buy-backs require approvals from at least 75% of the votes cast at the EGM by Shareholders other than Make Success, Bumper East and the parties acting in concert with each of them and those who are involved in or interested in the transactions contemplated thereunder (i.e. disinterested Shareholders as defined in the Takeovers Code); (b) the Capital Reorganisation and allotment of Remuneration Shares require approvals from more than 50% of the votes cast at the EGM by Shareholders (i.e. ordinary resolutions); and (c) the Open Offer requires approvals from more than 50% of the votes cast at the EGM by the Shareholders other than Bumper East (who shall abstain from voting in favour) in accordance with Rule 7.27A(1) of the Listing Rules, the Company puts the proposal to the EGM that all such transactions to be resolved in one single resolution by taking the highest threshold among these transactions for approving the whole proposal in order to meet the necessary rules of each of these transactions, that is, by way of obtaining approvals from a least 75% of the votes cast by Independent Shareholders at the EGM.

## **Circular**

A circular containing, among others, further details of (i) the Settlement Deed and the transactions contemplated thereunder including but not limited to the Share Buy-backs; (ii) the Capital Reorganisation; (iii) the allotment and issue of the Remuneration Shares; (iv) the Open Offer; (v) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Settlement Deed and the transactions contemplated thereunder including but not limited to the Share Buy-backs and the Open Offer; (vi) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Settlement Deed, the Share Buy-backs and the Open Offer; and (vii) a notice convening the EGM, will be despatched to the Shareholders in accordance with the Takeovers Code within 21 days or in accordance with the Listing Rules within 15 business days of the date of this announcement, whichever is earlier, i.e. on or before Friday, 10 August 2018.

## **Independent Board Committee**

An Independent Board Committee, comprising the non-executive Director and all the independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the terms of the Settlement Deed, the Open Offer, and the transactions contemplated thereunder including but not limited to the Share Buy-backs are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise and make recommendations to the Independent Shareholders after taking into account the advice from the Independent Financial Adviser. No member of the Independent Board Committee has any material interest in the Settlement Deed, the Share Buy-backs, the Open Offer, and the transaction contemplated thereunder.

## **Independent Financial Adviser**

The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in connection with the Settlement Deed, the Share Buy-backs, the Open Offer, and the transactions contemplated thereunder.

## **Application for listing**

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Adjusted Shares, including the Remuneration Shares and 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 Adjusted Shares (including the Remuneration Shares and the Offer Shares) on the Stock Exchange, the Adjusted Shares (including the Remuneration Shares and 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 Adjusted Shares (including the Remuneration Shares and 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 Adjusted Shares (including the Remuneration Shares and the Offer Shares) will be admitted into CCASS.

Dealings in the Adjusted Shares (including the Remuneration Shares and 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.

### **Status of the Adjusted Shares**

When allotted, issued and fully paid, the Adjusted Shares (including the Remuneration Shares and the Offer Shares) will rank pari passu in all respects with the then Adjusted Shares in issue on the date of allotment and issue of the Adjusted Shares, the Remuneration Shares and the Offer Shares respectively. Holders of the Adjusted Shares, the Remuneration Shares and the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made and paid after the date of allotment and issue of the Adjusted Shares, the Remuneration Shares and the Offer Shares respectively. Dealings in the Adjusted Shares will be subject to payment of stamp duty in Hong Kong, Stock Exchange trading fees, SFC transaction levy and other applicable fees and charges in Hong Kong.

### **WARNING**

**Trading in the Shares will continue to be suspended until further notice. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.**

**The publication of this announcement does not warrant any approval from the Stock Exchange on the Resumption or any approval from the Executive on the Share Buy-backs and the waiver pursuant to Rule 7 of the Share Buy-backs Code. The proposed transactions disclosed in this announcement are also subject to the fulfilment or waiver (as the case maybe) of the relevant conditions precedent. The Company will keep the public informed of the latest development by making further announcements as and when appropriate.**

### **DEFINITION**

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

- |                         |   |
|-------------------------|---|
| “Acquisition Agreement” | the sale and purchase agreement in relation to the acquisition of entire issued share capital in Yield Rise which was entered into between the Company and Make Success on 8 November 2010 and 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 after the Capital Reorganisation becoming effective
“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 Wen. As at the date of this announcement, Aspial Investment is a substantial Shareholder and holds 100,000,000 Shares which represents approximately 10.78% 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
“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 date of this announcement, Bumper East is a substantial Shareholder and holds 100,000,000 Shares which represents approximately 10.78% 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

“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: 01116)
“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
“Convertible Bonds”	the convertible bonds convertible into approximately 163,636,363 Shares at a conversion price of HK\$0.55 per Share in the principal amount of HK\$90 million issued by the Company 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”	an extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve (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 indirectly non-wholly owned subsidiary of the Company
“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 and Spring Sky 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 Board Committee”	the independent committee of the Board, comprising the non-executive Director, namely Mr. Wang Dongqi, and all the independent non-executive Directors, namely Mr. Lau Kwok Hung, Mr. Ng Cheuk Lun and Mr. Deng Shimin, established to give recommendations to the Independent Shareholders on the Settlement Deed, the Share Buy-backs, the Open Offer, and the transaction contemplated thereunder
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in connection with the Settlement Deed, the Share Buy-backs, the Open Offer, and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders, excluding (i) Make Success, Bumper East and the parties acting in concert with each of them; and (ii) those who are involved or interested in the Settlement Deed, the Share Buy-backs, the Open Offer, 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

“Investor(s)”	the 8 investors each of them has 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
“Irrevocable Undertakings”	the irrevocable undertakings dated 20 July 2018 executed by each of Aspial Investment and Bumper East, pursuant to which Aspial Investment and Bumper East respectively undertakes to subscribe for certain Offer Shares as described in the paragraph headed “Undertakings” in this announcement
“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 prior to the date of the Suspension
“Latest Time for Acceptance”	4:00 p.m. on Monday, 24 September 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 Wednesday, 26 September 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
“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 to be set out in 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 Resumption Proposal 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
“Previous Announcements”	the announcements made by the Company dated 16 January 2012, 9 March 2012, 5 April 2012, 3 October 2012, 31 December 2013, 8 October 2014, 30 March 2015, 1 April 2015, 22 May 2015, 30 June 2015, 31 July 2015, 31 August 2015, 30 September 2015, 30 October 2015, 1 December 2015, 31 December 2015, 1 February 2016, 29 February 2016, 31 March 2016, 3 May 2016, 31 May 2016, 30 June 2016, 29 July 2016, 31 August 2016, 30 September 2016, 31 October 2016, 30 November 2016, 29 December 2016, 27 January 2017, 28 February 2017, 31 March 2017, 28 April 2017, 31 May 2017, 30 June 2017, 31 July 2017, 31 August 2017, 29 September 2017, 31 October 2017, 30 November 2017, 29 December 2017, 31 January 2018, 28 February 2018, 29 March 2018, 30 April 2018, 29 May 2018 and 29 June 2018
“Promissory Notes”	the promissory notes in the principal amount of HK\$300 million issued by the Company to Make Success for the partial settlement of the consideration pursuant to the Acquisition Agreement
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus, the Application Form and the EAF in respect of the Offer Shares to be issued by the Company in relation to the Open Offer
“Prospectus Posting Date”	Monday, 10 September 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, 7 September 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
“Registrar”	Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company in Hong Kong
“Remuneration Shares”	4,000,000 Adjusted Shares to be allotted and issued to Veda Capital for the partial settlement of the professional fee in respect of the Resumption
“Resumption”	the resumption of trading in the Adjusted Shares on the Stock Exchange
“Resumption Proposal”	the resumption proposal (as supplemented by subsequent submissions by the Company) submitted by the Company to 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 becoming effective
“Share Buy-backs”	repurchase 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) consolidated Share of a nominal value of HK\$0.20 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
“Suspension”	the suspension of trading in the Shares 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
“Underwritten Shares”	all of the Offer Shares (other than the Offer Shares to be taken up by Aspiat 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 activities 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 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
“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 and on behalf of the Board  
**Mayer Holdings Limited**  
**Lee Kwok Leung**  
*Chairman and Executive Director*

Hong Kong, 20 July 2018

*As at the date hereof, the Board comprises three executive directors, namely Mr. Lee Kwok Leung, Mr. Xu Lidi and Mr. Lin Jinhe; one non-executive director, namely Mr. Wang Dongqi; and three independent non-executive directors, namely Mr. Lau Kwok Hung, Mr. Ng Cheuk Lun and Mr. Deng Shimin.*

*The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable enquiries, to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

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

\* *For identification purpose only*