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美亞控股有限公司*
MAYER HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1116)

**MAJOR AND CONNECTED TRANSACTION –
THE SUPPLEMENTAL AGREEMENT
FOR THE EXTENSION OF TIME FOR THE ACHIEVEMENT
OF THE TARGET PROFIT LEVEL**

Financial Adviser to the Company

VEDA | CAPITAL
智 略 資 本

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

 **中州國際融資有限公司**
CENTRAL CHINA INTERNATIONAL CAPITAL LIMITED

THE SUPPLEMENTAL AGREEMENT

References are made to the Announcements and the Circular in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder.

Based on the unaudited consolidated financial statements of the Target Company for the three financial years ended 31 December 2021, the Accumulated Net Profit of the Target Company is expected to be approximately RMB27,486,000 (equivalent to approximately HK\$32,983,000), representing a shortfall of approximately RMB189,181,000 (equivalent to approximately HK\$227,017,000) as compared to the Target Profit Level.

* For identification purpose only

On 11 March 2022, the Purchaser, the Vendor, the Guarantor and the Company entered into the Supplemental Agreement for, among others, the extension of time for the Target Company to meet the Target Profit Level for 18 months.

LISTING RULES IMPLICATIONS

As the Acquisition constituted a major transaction for the Company under Chapter 14 of the Listing Rules, the Supplemental Agreement will be subject to Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Guarantor is an executive Director and the sole shareholder of the Vendor which in turn is interested in 410,000,000 Shares, representing approximately 18.99% of the total issued share capital of the Company. Accordingly, the Guarantor and the Vendor are connected persons of the Company and the transactions contemplated under the Supplemental Agreement constitute a non-exempt connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the requirements of reporting, announcement, and the approval of the Independent Shareholders at the EGM.

To the best of the knowledge and belief of the Directors having made all reasonable enquiries, save as and except for the Vendor and its associates, no other Shareholder has a material interest in the transactions contemplated under the Supplemental Agreement such that he, she or it shall abstain from voting at the EGM on the resolution(s) to approve the Supplemental Agreement.

GENERAL

The EGM will be convened to consider and, if thought fit, approve the Supplemental Agreement and the transactions contemplated thereunder.

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the terms of the Supplemental Agreement and the transactions contemplated thereunder. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, further details of the Supplemental Agreement, the recommendation of the Independent Board Committee, the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and a notice of the EGM will be despatched to the Shareholders on or before 1 April 2022 so as to allow sufficient time for preparation of the relevant information for inclusion in the circular.

The completion of the transactions contemplated under the Supplemental Agreement is subject to the condition precedent which may or may not be fulfilled. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

BACKGROUND

This announcement is made by the Company pursuant to Rule 14.36B of the Listing Rules. References are made to the Announcements and the Circular in relation to, among other matters, the Sale and Purchase Agreement and the transactions contemplated thereunder.

Pursuant to the terms of the Sale and Purchase Agreement, the Target Company has a period of three financial years until 31 December 2021 to meet the Target Profit Level, and in the event that the Accumulated Net Profit could not reach the Target Profit Level within the Target Period, the Consideration will be adjusted under various scenarios depending on the actual amount of the Accumulated Net Profit recorded during the Target Period, namely (i) more than HK\$178 million but less than the Target Profit Level; (ii) more than HK\$130 million but less than HK\$178 million; and (iii) equals to or is less than HK\$130 million, or an accumulated net loss, details of which are set out in the paragraph headed “Consideration Adjustment” under the section “Letter from the Board” in the Circular.

Based on the unaudited consolidated financial statements of the Target Company for the three financial years ended 31 December 2021, the Accumulated Net Profit of the Target Company is expected to be approximately RMB27,486,000 (equivalent to approximately HK\$32,983,000), representing a shortfall of approximately RMB189,181,000 (equivalent to approximately HK\$227,017,000) as compared to the Target Profit Level. The expected shortfall in the Accumulated Net Profit mainly resulted from the unprecedented pandemic event of COVID-19 that slowed down the business development of the Target Company in the following ways:

- (i) delay in completion of property development projects due to (a) delay in the supply of construction materials; (b) labour shortage as a result of the mandatory quarantine policy; and (c) delay in decisions made in relation to the re-development project of Yuetang Village as physical inspections and meetings could not be arranged. All of the above caused delay in project delivery and deferment in the recognition of income for such projects, and hence the Target Company has failed to achieve satisfactory financial results for the financial years ended 31 December 2020 and 2021 as planned; and
- (ii) the increased difficulties and/or hesitation for potential buyers to perform site-visits during COVID-19 and the negative impact brought to the general economy of Zhuhai City in the PRC have affected the property purchasing momentum and resulted in the Target Company failing to achieve the revenue target for the financial years ended 31 December 2020 and 2021.

THE SUPPLEMENTAL AGREEMENT

Having considered the reasons for the shortfall of the Accumulated Net Profit and the reasons for and benefits of entering into the Supplemental Agreement as elaborated below in this announcement, on 11 March 2022, the Purchaser, the Vendor, the Company and the Guarantor entered into the Supplemental Agreement to extend the period for the Target Company to meet the Target Profit Level, details of which are set out below:

Date	11 March 2022
Parties	(1) the Purchaser; (2) the Company; (3) the Vendor; and (4) the Guarantor

As at the date of this announcement, the Guarantor is an executive Director and the sole shareholder of the Vendor which is interested in 410,000,000 Shares, representing approximately 18.99% of the total issued share capital of the Company.

Extension of time for the achievement of the Target Profit Level

Pursuant to the Supplemental Agreement, the Purchaser, the Vendor, the Guarantor and the Company have agreed to extend the period for the Accumulated Net Profit to meet the Target Profit Level for 18 months, i.e.: from the Target Period, being the three financial years ended 31 December 2021, to the New Target Period, being the period from 1 January 2019 to 30 June 2023. Save for the time extension, the details of the Consideration Adjustment remain unchanged.

As a result of the extension, the maturity date of the Promissory Note shall be extended to 30 September 2023 correspondingly, taking into account the expected time for the auditors to issue the audited consolidated financial statements of the Target Company for the New Target Period. Pursuant to the Supplemental Agreement, the Purchaser will issue the New Promissory Note with the revised maturity date and in the form set out under the Supplemental Agreement to the Vendor (or its nominee) on the fifth Business Day upon the fulfillment of the condition precedent under the Supplemental Agreement (as set out below) in replacement of the Promissory Note.

Put Option

Pursuant to the terms of the Sale and Purchase Agreement, in the event that the Accumulated Net Profit during the Target Period equals to or is less than HK\$130 million, or there is an accumulated net loss, the Purchaser may exercise the Put Option, at any time during the Option Period by giving at least one month's written notice to the Vendor.

As a result of the extension of the Target Period, the option period for the Purchaser to exercise the Put Option has been revised from the Option Period to the New Option Period. As at the date of this announcement, the Purchaser has not given any written notice to the Vendor to exercise the Put Option. In view of (i) the unexpected circumstances caused by the COVID-19, which were beyond the control of the Vendor, and (ii) a positive view on the prospect of the Target Company, the Directors consider that the principal reasons for the Vendor and the Guarantor to be unable to fulfill the obligations set out under the Sale and Purchase Agreement were understandable and reasonable and accordingly the decision of the Purchaser not to exercise the Put Options is fair and reasonable and in the interests of the Purchaser and the Shareholders as a whole.

Save and except for the extension of the Target Period and the corresponding amendments to the Option Period and the maturity date for the Promissory Note as disclosed in this announcement, all other terms and conditions of the Sale and Purchase Agreement, the Consideration Adjustment, the Promissory Note and the Put Option shall remain unchanged and in full force and effect.

Condition precedent

Completion of the transactions contemplated under the Supplemental Agreement is conditional upon the fulfillment of the Purchaser and the Company having obtained all necessary approvals from, including (i) the Stock Exchange; and (ii) the Independent Shareholders by way of passing of the necessary resolution(s) at the EGM and such condition precedent cannot be waived.

Each of the Purchaser and the Vendor shall use its best endeavours to procure the fulfilment of the condition above on or before 31 July 2022. If the condition set out in the above have not been fulfilled on or before 31 July 2022, the Supplemental Agreement shall cease and determine and no parties shall have any obligations and liabilities thereunder save for any antecedent breaches of the terms thereof.

As at the date of this announcement, the above condition precedent has not been fulfilled.

Completion

Completion of the transactions contemplated under the Supplemental Agreement shall take place on the fifth Business Day after the condition precedent of the Supplemental Agreement has been fulfilled (or such other date as the parties to the Supplemental Agreement shall agree).

Reasons for and benefits of the entering into of the Supplemental Agreement

The Target Company, being a wholly-owned subsidiary of the Company, indirectly holds 49% of the equity interest in the Project Company which in turn is principally engaged in the operations of re-development project of Yuetang Village.

The Board is of the view that the redevelopment project of Yuetang Village can benefit from the development of the Greater Bay Area as the PRC Government has been continuously implementing measures and efforts to facilitate the growth and connections among Zhuhai City, Hong Kong and Macau in the long run. With the New Target Period, there is a reasonable likelihood for the Target Profit Level to be met as the general economy and the market momentum in the cities within the Greater Bay Area continue to grow and recover from COVID-19.

Having considered that (i) the reasons for the expected shortfall of the Accumulated Net Profit were mainly due to the extraordinary and unexpected circumstances caused by COVID-19, which were beyond the control of the Vendor; (ii) the expectation that the financial performance of the Target Company will improve with the gradual recovery of the general economy of the PRC from COVID-19; and (iii) it is in the Company's interest to maintain a harmonious relationship with and continue to secure the support of the Vendor and the Guarantor to ensure future business success of the Target Company while avoiding any potential disputes, the Directors (excluding the Guarantor who has abstained from voting on the relevant Board resolutions, and the members of the Independent Board Committee whose views are to be included in the circular to be despatched by the Company, after being advised by the Independent Financial Adviser) are of the view that the terms of the Supplemental Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms in the ordinary and usual course of business of the Group, and the entering into of the Supplemental Agreement is in the interests of the Company and the Shareholders as a whole.

The Guarantor is interested in the transactions contemplated under the Supplemental Agreement and accordingly has abstained from voting on the Board resolution for approving the Supplemental Agreement and the transactions contemplated thereunder. Apart from the above, none of the Directors has any material interest in the Supplemental Agreement and is required to abstain from voting on the Board resolutions approving the Supplemental Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As the Acquisition constituted a major transaction for the Company under Chapter 14 of the Listing Rules, the Supplemental Agreement will be subject to Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Guarantor is an executive Director and the sole shareholder of the Vendor which in turn is interested in 410,000,000 Shares, representing approximately 18.99% of the total issued share capital of the Company. Accordingly, the Guarantor and the Vendor are connected persons of the Company and the transactions contemplated under the Supplemental Agreement constitute a non-exempt connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the requirements of reporting, announcement, and the approval of the Independent Shareholders at the EGM.

To the best of the knowledge and belief of the Directors having made all reasonable enquiries, save as and except for the Vendor and its associates, no other Shareholder has a material interest in the transactions contemplated under the Supplemental Agreement such that he or she or it shall abstain from voting at the EGM on the resolution(s) to approve the Supplemental Agreement.

GENERAL

The EGM will be convened to consider and, if thought fit, approve the Supplemental Agreement and the transactions contemplated thereunder.

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the terms of the Supplemental Agreement and the transactions contemplated thereunder. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, further details of the Supplemental Agreement, the recommendation of the Independent Board Committee, the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and a notice of the EGM will be despatched to the Shareholders on or before 1 April 2022 so as to allow sufficient time for preparation of the relevant information for inclusion in the circular.

The completion of the transactions contemplated under the Supplemental Agreement is subject to the condition precedent which may or may not be fulfilled. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the respective meanings as set out below:

“Accumulated Net Profit”	the accumulated audited consolidated profit after tax (in HK\$) recorded in the audited consolidated financial statements of the Target Company to be prepared in accordance with Hong Kong Financial Reporting Standards after the Completion
“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement

“Announcements”	collectively, the announcements of the Company dated 11 June 2019, 30 September 2019, 31 October 2019 and 26 November 2019
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which the banks are open for business in Hong Kong (other than Saturday, Sunday or public holidays)
“BVI”	the British Virgin Islands
“Circular”	the circular of the Company dated 23 August 2019 in respect of the Acquisition
“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 are listed and traded on the main board of the Stock Exchange (stock code: 1116)
“Completion”	the completion of the Acquisition
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	HK\$260 million, being the consideration payable for the Sale Shares
“Consideration Adjustment”	the adjustments to be made to the Consideration under the Sale and Purchase Agreement as detailed in the paragraph headed “Consideration Adjustment” under the section “Letter from the Board” in the Circular

“COVID-19”	the novel coronavirus disease 2019
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of seeking approval from the Independent Shareholders in respect of the Supplemental Agreement and the transactions contemplated thereunder
“Greater Bay Area”	Guangdong-Hong Kong-Macau Bay Area, comprising cities in the Guangdong Province, Hong Kong and Macau
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Zhou Shi Hao, an executive Director and the beneficial owner of the Vendor
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors established to advise the Independent Shareholders in respect of the Supplemental Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	Central China International Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement and the transactions contemplated thereunder

“Independent Shareholder(s)”	Shareholder(s) (other than the Vendor and its associates) who are not interested in the Supplemental Agreement and are not required under the Listing Rules to abstain from voting at the EGM to approve the same and the transactions contemplated thereunder
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“New Option Period”	the revised option period for the Purchaser to exercise the Put Option as amended under the Supplemental Agreement, being one (1) year from the day on which the Purchaser confirmed to the Vendor the Accumulated Net Profit for the New Target Period equals to or is less than HK\$130 million
“New Promissory Note”	the new Promissory Note in the principal amount of HK\$158 million to be issued by the Purchaser to the Vendor (or its nominee) under the Supplemental Agreement
“New Target Period”	1 January 2019 to 30 June 2023
“Option Period”	the period for the Purchaser to exercise the Put Option under the Sale and Purchase Agreement, being one (1) year from the day on which the Purchaser confirmed to the Vendor the Accumulated Net Profit for the Target Period equals to or is less than HK\$130 million
“PRC”	the People’s Republic of China excluding Hong Kong, Macau and Taiwan for the purpose of this announcement

“Project Company”	Zhuhai Hua Fa Yue Tang Property Development Limited* (珠海華發月堂房產開發有限公司), a company established in the PRC with limited liability
“Promissory Note”	the promissory note in the principal amount of HK\$158 million issued by the Purchaser to the Vendor (or its nominee) pursuant to the Sale and Purchase Agreement to settle part of the Consideration
“Purchaser”	Elate Ample Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Put Option”	the option granted by the Vendor to the Purchaser under the Sale and Purchase Agreement in respect of the sale and transfer of the entire issued share capital of the Target Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 11 June 2019 (as amended by the supplemental agreements dated 30 September 2019 and 31 October 2019) entered into among the Purchaser, the Vendor, the Guarantor and the Company in relation to the sale and purchase of the Sale Shares
“Sale Shares”	10,000 shares of the Target Company of par value of US\$1.00 each, representing the entire issued share capital of the Target Company
“Share(s)”	the ordinary share(s) of a nominal value of HK\$0.2 each in the share capital of the Company

“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Supplemental Agreement”	the conditional supplemental agreement dated 11 March 2022 entered into among the Purchaser, the Vendor, the Guarantor and the Company in relation to the proposed amendments to the Sale and Purchase Agreement
“Target Company”	Happy (Hong Kong) New City Group Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Target Period”	the three financial years ended 31 December 2021
“Target Profit Level”	HK\$260 million
“Vendor”	Harbour Prestige International Limited* (港威國際有限公司), a company incorporated in the BVI with limited liability and a substantial Shareholder, which is wholly-owned by the Guarantor

“Yuetang Village” Yuetang Village* (月堂村) located in Sanzhao Town, Jinwan District, Zhuhai, the PRC

“%” per cent

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

Hong Kong, 11 March 2022

For the purpose of this announcement, translations of Renminbi into Hong Kong dollars or vice versa have been calculated by using an exchange rate of HK\$1.00 equal to RMB0.83. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.

As at the date hereof, the Board comprises four executive Directors, namely Mr. Lee Kwok Leung (Chairman), Mr. Zhou Shi Hao, Mr. Chen Zhirui and Mr. Xiao Libo (Chief Executive Officer); two non-executive Directors, namely Mr. Lam Chung Chak and Dr. Cheung Ka Yue; and four independent non-executive Directors, namely Mr. Lau Kwok Hung, Dr. Li Yutong, Mr. Chan Chun Kit and Mr. Lu Jianping.