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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)
(the "Company")

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2017

Financial Highlights:

- Revenue of the Group for the six months ended 30 June 2017 amounted to approximately RMB170.6 million (for the six months ended 30 June 2016: approximately RMB178.4 million).
- Loss attributable to the owners of the Company for the six months ended 30 June 2017 amounted to approximately RMB4.7 million (profit for the six months ended 30 June 2016: profit of approximately RMB1.2 million).
- Basic and diluted loss per share for the six months ended 30 June 2017 amounted to approximately RMB0.48 cents (earnings per share for the six months ended 30 June 2016: approximately RMB0.12 cents).
- The directors of the Company do not recommend the declaration of any interim dividend for the six months ended 30 June 2017.

The board of directors of the Company (the "Board") is pleased to present the unaudited condensed consolidated interim financial results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2017 (the "Period") together with the comparative figures for the corresponding period in 2016.

* *For identification only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2017

		Six months ended 30 June	
		2017	2016
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**170,578**	178,437
Cost of sales		**(148,004)**	(153,925)
Gross profit		**22,574**	24,512
Other income		**4,861**	3,177
Other net (loss)/income		**(575)**	960
Distribution costs		**(7,836)**	(8,101)
Administrative expenses		**(21,985)**	(14,043)
Other operating expenses		**–**	(532)
(Loss)/profit from operations		**(2,961)**	5,973
Impairment loss on amount due from investee companies		**(52)**	(192)
Finance costs		**(1,374)**	(1,599)
(Loss)/profit before tax		**(4,387)**	4,182
Income tax expense	*5*	**–**	(1,979)
(Loss)/profit for the period	*4*	**(4,387)**	2,203
(Loss)/profit for the period attributable to:			
Owners of the Company		**(4,665)**	1,164
Non-controlling interests		**278**	1,039
		(4,387)	2,203
(Loss)/earnings per share			
Basic and diluted (RMB cents)	*7*	**(0.48)**	0.12

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2017

	Six months ended 30 June	
	2017	2016
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(Loss)/profit for the period	**(4,387)**	2,203
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**3,058**	(1,322)
Items that may not be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**(1,785)**	978
Other comprehensive income for the period, net of tax	**1,273**	(344)
Total comprehensive income for the period	**(3,114)**	1,859
Total comprehensive income for the period attributable to:		
Owners of the Company	**(3,392)**	820
Non-controlling interests	**278**	1,039
	(3,114)	1,859

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	30 June 2017 RMB'000 (Unaudited)	31 December 2016 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		**33,855**	35,906
Prepaid land lease payments		**6,085**	6,196
Interest in a joint venture		**–**	–
Available-for-sale financial assets		**11,766**	11,766
		51,706	53,868
Current assets			
Inventories		**70,411**	47,359
Trade and other receivables	*8*	**160,948**	125,608
Prepaid land lease payments		**222**	222
Financial assets at fair value through profit or loss		**–**	721
Cash and cash equivalents		**56,418**	142,379
		287,999	316,289
Current liabilities			
Trade and other payables	*9*	**72,222**	87,087
Current tax payable		**–**	1,071
Borrowings		**61,613**	73,015
		133,835	161,173
Net current assets		**154,164**	155,116
Total assets less current liabilities		**205,870**	208,984
NET ASSETS		**205,870**	208,984
Capital and reserves			
Share capital		**88,872**	88,872
Reserves		**62,790**	66,182
Equity attributable to owners of the Company		**151,662**	155,054
Non-controlling interests		**54,208**	53,930
TOTAL EQUITY		**205,870**	208,984

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2017

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

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (the "HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2017. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards (the "HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current period and prior years.

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

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information (the "Interim Financial Statements") have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The Interim Financial Statements do not include all the information and disclosures required in a full set of financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2016 ("2016 Annual Report").

The accounting policies and methods of computation used in the preparation of the Interim Financial Statements are consistent with those followed in the preparation of 2016 Annual Report of the Group.

3. REVENUE AND SEGMENT INFORMATION

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

- Steel – PRC: this segment primarily derive its revenue from the manufacture and trading of steel pipes, steel sheets and other products made of steel. These products are manufactured in the Group's manufacturing facilities located in the PRC.

- Investments: this segment invests in equity securities to generate dividend income and interest income and/or to gain from the appreciation in the investments' values in the long term.

(a) Segment results, assets and liabilities

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

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

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

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

	Steel – PRC	**Investment**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Period ended 30 June 2017 (Unaudited)			
Revenue from external customers	**170,578**	**–**	**170,578**
Segment profit/(loss)	**2,869**	**(56)**	**2,813**
At 30 June 2017 (Unaudited)			
Segment assets	**327,338**	**86**	**327,424**
Segment liabilities	**83,275**	**175**	**83,450**

	Steel – PRC	Investment	Total
	RMB'000	*RMB'000*	*RMB'000*
Period ended 30 June 2016 (Unaudited)			
Revenue from external customers	178,437	–	178,437
Segment profit	8,376	738	9,114
At 31 December 2016 (Audited)			
Segment assets	355,991	1,212	357,203
Segment liabilities	113,423	328	113,751

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

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit or loss:		
Total profit of reportable segments	**2,813**	9,114
Finance cost	**(1,374)**	(1,599)
Corporate and unallocated profit or loss	**(5,826)**	(3,333)
Consolidated (loss)/profit before taxation for the period	**(4,387)**	4,182

	At	At
	30 June	31 December
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Assets:		
Total assets of reportable segments	**327,424**	357,203
Corporate and unallocated assets:		
– Available-for-sale financial assets	**11,766**	11,766
– Others	**515**	1,188
Consolidated total assets	**339,705**	370,157
Liabilities:		
Total liabilities of reportable segments	**83,450**	113,751
Corporate and unallocated liabilities	**50,385**	47,422
Consolidated total liabilities	**133,835**	161,173

Over 90% of the Group's revenue and assets are derived from customers and operations based in the PRC and accordingly, no further analysis of the Group's geographical information is disclosed.

4. (LOSS)/PROFIT FOR THE PERIOD

The Group's (loss)/profit for the period is stated after charging/(crediting) the following:

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold	**147,901**	153,449
Depreciation	**2,451**	2,758
Amortisation of prepaid lease payments	**111**	111
Net exchange losses/(gain)	**525**	(57)
Staff costs including directors' emoluments		
– Salaries, bonus and allowances	**12,831**	11,391
– Retirement benefits scheme contributions	**4,055**	2,548
	16,886	13,939

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2017	2016
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax		
PRC corporation income tax	**–**	1,862
Hong Kong profits tax	**–**	117
	–	1,979

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit for the period ended 30 June 2017. The amount provided for the period ended 30 June 2016 was calculated based on 16.5% on the assessable profit for that period.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

6. INTERIM DIVIDEND

The Board does not recommend any interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: nil).

7. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to owners of the Company of approximately RMB4,665,000 (2016: profit of approximately RMB1,164,000) and the weighted average number of 972,564,000 ordinary shares (2016: 972,564,000 ordinary shares) in issue during the period.

Diluted (loss)/earnings per share

Diluted (loss)/earnings per share is equal to basic (loss)/earnings per share as there are no potential ordinary shares outstanding for both period.

8. TRADE AND OTHER RECEIVABLES

The trade and other receivable included trade receivables of approximately RMB92,174,000 as at 30 June 2017. The aging analysis of trade receivables, based on invoiced date, and net of allowance, is as follows:

	30 June 2017	31 December 2016
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0 to 30 days	**27,824**	39,012
31 to 60 days	**31,884**	39,623
61 to 90 days	**19,169**	19,696
91 to 180 days	**13,100**	13,102
Over 180 days	**197**	–
	92,174	111,433

9. TRADE AND OTHER PAYABLES

The trade and other payables included trade payables of approximately RMB7,886,000 as at 30 June 2017. The aging analysis of the trade payables, based on the date of receipt of goods, is as follows:

	30 June 2017 *RMB'000* **(Unaudited)**	31 December 2016 *RMB'000* (Audited)
0 to 30 days	**5,413**	12,975
31 to 60 days	**1,389**	1,638
61 to 90 days	**567**	175
91 to 180 days	**278**	78
181 to 365 days	**181**	105
Over 365 days	**58**	70
	7,886	15,041

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF RESULTS

For the six months ended 30 June 2017 (the "Period"), the Group reported consolidated revenue of approximately RMB170,578,000 representing a decrease of 4.4% compare to same period last year's RMB178,437,000. Gross profit margin was 13.2% compared to the same period of last year's 13.7%. Loss attributable to owners of the Company was approximately RMB4,665,000, compared with same period of last year's profit attributable to owners RMB1,164,000. Loss per share for the Period was RMB0.48 cents versus same period of last year's earnings per share RMB0.12 cents.

BUSINESS REVIEW

The primary business focus for the management of the Group in the half-year period under review is still the recapture of the control over Guangzhou Mayer, which is the only active operating subsidiary of the Company, contributing approximately 98% of the turnover of the Group for the year ended 31 December 2010. Inevitably, a number of legal actions have been taken by the Group against the uncooperative management of Guangzhou Mayer during the past two years. The progress and the latest updates of those legal efforts had been disclosed in details by the Company's prompt announcements during the half-year period under review and the monthly periodic announcements since May 2015.

On 14 June 2017, the Stock Exchange released an announcement to state that, by 24 May 2016, the Stock Exchange was of the view that the Company did not comply with the requirement to have sufficient operations or assets under Rule 13.24. The Stock Exchange placed the Company into the first and second delisting stages on 24 May 2016 and 24 November 2016 respectively. At the end of the second delisting stage on 23 May 2017, the Company did not provide any resumption proposal. Therefore, the Stock Exchange had decided to place the Company into the third delisting stage under Practice Note 17 to the Listing Rules. The Company would have a final six months to provide a viable resumption proposal to address the stated resumption conditions. If no viable resumption proposal is received by the end of the third delisting stage (that is, 13 December 2017), the Company's listing will be cancelled.

Before the commencement of the third delisting stage, the Company had already established its resumption taskforce which includes legal consultants, the auditors and a financial adviser for formulating a viable resumption proposal. Eventually, the Company's financial adviser had submitted a resumption proposal to the Stock Exchange on 28 November 2017 (the "Resumption Proposal"). On 12 January 2018, the Stock Exchange had agreed to allow the Company to proceed with the Resumption Proposal subject to the completion of all the transactions contemplated under the Resumption Proposal. If the Company fails to do so or the Resumption Proposal fails to proceed for any reason, the Stock Exchange will proceed to cancel the listing of the Shares on the Stock Exchange. As at the date of this results announcement, the Company's resumption taskforce proceeds the transactions contemplated under the Resumption Proposal smoothly.

It is noted that on 9 May 2011, the Company had acquired the entire issued share capital of Yield Rise at the total consideration of HK$620 million from Make Success (the "Acquisition"). Yield Rise controls the right to develop a designed port and certain real estate projects in the Dan Tien Port of Vietnam (the "Dan Tien Port Project"). However, the Company subsequently discovered that it was induced into the Acquisition by the misrepresentations made by Make Success and its accomplices; therefore, the Company commenced legal proceedings, pursuant to the Misrepresentation Ordinance, in the High Court of Hong Kong under action number of HCA64 of 2012 ("HCA64/2012") against Make Success and other allegedly related parties on 12 January 2012. Resulted from a court hearing held on 5 April 2012, the Company obtained an interim injunction order from the court (the "Injunction Order") to restrain any movement of the 236,363,636 consideration Shares, being one part of the above-mentioned total consideration of HK$620 million paid to Make Success for the acquisition of Yield Rise. At the date of this results announcement, the Injunction Order is still in force.

Based on a number of factors, the Board now considers that the Company is unable to continue its development in the Dan Tien Port Project and the Board is now seeking legal opinion in the possibility to rescind the Acquisition. In view of the HCA64/2012 case which was originated from the Acquisition, the Board considers that 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. Should the Acquisition rescind as anticipated, the HCA64/2012 case would be terminated.

Other than the HCA64/2012 case, the Company is also currently involved into various court proceedings which are still pending at the date of this results announcement. The progress of the HCA64/2012 case and the latest updates of those legal proceedings, together with all other material information of the Company, had been disclosed in details by the Company's prompt and periodic announcements during the half-year period under review.

PRODUCTION AND SALES

The revenue from indirect export sales of steel products in the PRC during the Period was approximately RMB55,215,000, representing a decrease of approximately 7.1% compared with approximately RMB59,453,000 for the same period of last year. The market for indirect export sales in the PRC continued to be the core market for the Group's steel segment.

The revenue from domestic sales of steel products in the PRC during the Period was approximately RMB111,929,000, representing a decrease of approximately 2.6% compared with the same period of last year's approximately RMB114,896,000.

The revenue from direct export sales of steel products outside the PRC during the Period was approximately RMB3,435,000 representing a decrease of approximately 16% while it was approximately RMB4,088,000 for the same period of last year.

GROSS PROFIT

The Group recorded a gross profit of approximately RMB22,574,000 for the Period, with a gross profit margin of approximately 13.2%, compared with the gross profit of approximately RMB24,512,000 and a gross profit margin of approximately 13.7% for the same period of last year.

OPERATING EXPENSES

The total operating expenses of the Group for the Period were approximately RMB29,821,000 of which approximately RMB7,836,000 in distribution costs, RMB21,985,000 in administrative expenses and RMB nil in other operating expenses, accounting for approximately 4.6%, 12.9%, and 0% of revenue respectively while the amounts for the same period of last year were approximately RMB8,101,000, RMB14,043,000, and RMB532,000 respectively, accounting for approximately 4.5%, 7.9%, and 0.3% respectively. The increase in operating expenses was mainly attributable to the increase in staff cost and legal and professional fees for the period.

FINANCE COSTS

During the Period, the Group incurred approximately RMB1,374,000 in finance costs, compared with approximately RMB1,599,000 for the same period of last year. The Group relied on bank borrowings to finance its trading activities, the decrease in finance costs paid during the Period was mainly due to the decrease in interest rate.

FINANCIAL RESOURCES AND TREASURY POLICIES

The Group continues to adhere to prudent treasury policies. The Group continued to insure against major receivables in order to lower the risks of credit sales and to ensure that funds would be recovered on a timely basis, hence fulfilling the requirements for debt repayments and working capital commitments.

As at 30 June 2017, the Group had bank deposits and cash balances of approximately RMB56,418,000.

The Group had net current assets of approximately RMB154,164,000 as at 30 June 2017 as compared with RMB155,116,000 as at 31 December 2016. The current ratio (current assets divided by current liabilities) changed to approximately 2.15 as at 30 June 2017 from 1.96 as at 31 December 2016.

The Group had a total of approximately RMB56,603,000 financing facilities from banks were available as at 30 June 2017, with fixed interest rates, had been drawn down to finance the Group's working capital purposes and capital expenditures.

The gearing ratio (net debt divided by total capital) as at 30 June 2017 was approximately 65.0% while it was 77.1% as at 31 December 2016. Current portion of borrowings accounted for approximately 18.1% and 19.7% of the total assets of the Group as at 30 June 2017 and 31 December 2016, respectively.

CASH FLOW

For the Period, the Group generated net cash outflow of RMB24,225,000 from its operating activities, as compared to net cash inflow of approximately RMB3,940,000 for the same period of last year. The decrease in net cash inflow from operating activities was primarily due to the increase in inventory and trade payables and other payables. Net cash outflow of approximately RMB50,145,000 was from investing activities for the Period, mainly resulted from deposit for investment. Net cash outflow of approximately RMB12,776,000 was from financing activities, mainly resulted from net repayment of bank borrowings. Banks deposits and cash balances as at 30 June 2017 amounted to approximately RMB56,418,000, mainly denominated in Renminbi ("RMB"), US dollars and HK dollars.

FOREIGN EXCHANGE EXPOSURES

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

CHARGE ON GROUP ASSETS

As at 30 June 2017, no assets were pledged to banks for securing banking or other financing facilities granted to the Group.

CONTINGENT LIABILITIES

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

1. In January 2012, the Group commenced litigation against Make Success Limited and certain parties (the "Defendants") involved in the acquisition of Yield Rise Limited to claim for the damages and rescission of the agreement for breach of the agreement and misrepresentation made by them and repayment of consideration. The Group is negotiating with the Defendants for the settlement of the claims and proposes to enter a settlement deed with Make Success to resolve the matter of Yield Rise. Pursuant to the draft settlement deed, the Agreement shall be rescinded. Make Success shall (i) return the consideration shares to the Company and (ii) surrender the promissory notes and convertible bonds. The Company shall return the shares in Yield Rise to Make Success. Therefore, the Directors consider that the investment in Yield Rise Group, the promissory notes and convertible bonds were not recognised in the consolidated financial statements.

2. On 4 August 2014, Mr. Lai Yueh-Hsing, a former director of the Company, filed a Winding Up Petitions dated 29 July 2014 against the Company under the Grant Court of Cayman Islands ("Grant Court") to demand for the repayment of loan of HK$11,030,000 due to him. The Group acknowledged the loan was owing to him. On 7 November 2014 and judgment was handed down by Grant Court to dismiss the petitions. Subsequently an appeal against the decision of the Grant Court was filed by Mr. Lai Yueh-Hsing. On 19 October 2017, the Company filed an application to strike out the appeal to the Cayman Islands Court of Appeal. The hearing of the Cayman Islands Court of Appeal was held on 15 November 2017 and order that both the appeal filed by Mr. Lai Yueh-Hsing and the Company be dismissed. Therefore, it is the opinion of the directors that the outcome will not have a material impact on the Group's financial position.

3. Guangzhou Mayer, a subsidiary of the Company, had received a notice dated 6 December 2017 from the Intermediate Court of Guangzhou Municipality, Guangdong Province (the "Intermediate Court") that the Intermediate Court had received the application of the winding up petitions against Guangzhou Mayer filed by Wealth & Health Investments Limited and Taishun Industrial (Inner Mongolia) Food Co., Limited. The Intermediate Court has not decided the date for hearing of the said winding up petitions. According to legal advice, the winding up petitions against Guangzhou Mayer do not meet the conditions required by the relevant laws. The directors believe that the application of the winding up petitions will be strike out by Intermediate Court.

4. On 29 March 2012, writs of summons were issued by Capital Wealth Finance Company Limited and Capital Wealth Corporation Limited against the Company to claim the sum of HK$15,500,000 plus relevant legal costs incurred/to be incurred. The Company intends to contest the claim. In the directors' opinion, the ultimate liability, if any, will not have a material impact on the Group's financial position.

EMPLOYMENT, TRAINING AND DEVELOPMENT

As at 30 June 2017, the Group had total of about 300 employees. Total staff costs of for the Period were approximately RMB16,886,000, including retirement benefits cost of approximately RMB4,055,000. Remuneration packages of the Group are maintained at a competitive level to attract, retain and motive employees and are reviewed on a periodic basis.

The Group always maintains good relation with its employees and is committed to employee training and development on a regular basis to maintain the quality of our products. In addition, the Company has a share option scheme for the purpose of providing incentives and rewards to eligible participants. No option has been granted under the scheme since its adoption.

OUTLOOK

With its official entrance into Guangzhou Mayer in the third quarter of 2017, the new management of Guangzhou Mayer started to implement comprehensive management, and undertake market restructuring and repositioning. The development of carbon steel cutting, steel pipe and stainless steel pipe businesses have moved onto a steady development track.

Focusing on the businesses in relation to steel sheets used in motor vehicles and the steel pipes used in motor vehicles as well as stainless steel drinking water pipes, Guangzhou Mayer adjusted its marketing strategies based on the actual situation in response to the market. Striving for creation, improvement and perfection, we aim to expand our market share and enhance the value of our products.

Looking ahead to 2018, we will continue to proceed with our steel processing and distribution business (including carbon steel cutting) and to better serve the existing customers. Meanwhile, we will explore new customers by leveraging on our existing advantages and boost sales through developing new domestic resources for steel plants. We strive to enhance our carbon steel pipe production ability, expand the business of pipes used in motor vehicles and gradually phase out from our low-end pipe business, enhancing the profitability of pipe business. We will actively promote the stainless steel drinking water pipe business by expanding its sales volume through integrating distribution channels, and foster regional direct sales channel at the same time. First, we will strenuously explore the direct sales market for stainless steel pipe materials and pipe fittings in Southern China so as to increase profit. In addition, we will actively seek for new projects that suit the need for corporate development in order to create new growth engines for the Group.

Nowadays, there is worldwide optimism about the PRC's future economic development. The pace of China's economic growth has remained in a reasonable range for years, demonstrating a development trend of growth amidst stability. The successful convention of the "19th National Congress of the CPC" has directed the future economic development of China and is going to pose significant impact on the global economy. Locating in the region of Pearl River Delta, one of the most prosperous regions of China, Guangzhou Mayer has unique advantages and we are confident of Guangzhou Mayer's future development. Stemming from 2017, we will strive to realize our business objectives in 2018, including a 16% growth in carbon steel cutting business, a 20% growth in stainless steel pipe business and a 10% growth in carbon steel pipe business, with more than 1,000 tonnes sales of motor vehicle steel pipes.

With its ability, wisdom and determination and with an unwavering focus on economic benefits, the management of Guangzhou Mayer is committed to optimizing the product structure and developing new products of competitiveness, enhancing product value and increasing customer satisfaction, seizing every opportunity that is beneficial to the Company's development and generating the best return to society, shareholders and investors.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Period, the Group did not have any significant investments held or any material acquisitions or disposals of subsidiaries or associated companies.

CAPITAL COMMITMENTS

The Group had no other significant capital commitments as at 30 June 2017 and 31 December 2016.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") assists the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. The Audit Committee comprises independent non-executive directors of the Company; namely, Mr. Lau Kwok Hung (who is also the chairman of the Audit Committee), Mr. Ng Cheuk Lun and Mr. Deng Shimin. The interim results of the Company for the Period have been reviewed by the Audit Committee.

CORPORATE GOVERNANCE

The Company was not in compliance with the following code provisions:

The then code provision	Reason for the non-compliance and improvement actions took or to be taken
A.1.8	No insurance cover was arranged for the Financial Year. The Company will arrange insurance cover immediately upon the resumption of trading of the Company's shares.
A.2.5	The Company was not in compliance with certain code provisions as set out in the CG Code for the Financial Year. The existing Chairman has confirmed that he will take active action to improve and monitor the corporate governance practice of the Group.
A.4.2	No general meeting was held during the Financial Year. Therefore, no Directors have been subject to retirement and re-election by the Shareholders at the general meeting. General meeting will be held in due course for the retirement and re-election of Directors.

C.1.5	Due to change of auditor, there were no annual and interim results of the Group for the Financial Year presented to regular Board meetings for approval.
E.1.1, E.1.2, E.1.3, E.2.1	No general meeting was held during the Financial Year. General meeting of the Company will be arranged in due course.

INTERIM DIVIDENDS

No dividend was paid during the period of six months ended 30 June 2017. The Directors do not recommend the payment of an interim dividend for the Period.

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

During the Period, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed shares.

CONTINUED SUSPENSION OF THE TRADING IN THE SHARES OF THE COMPANY

Trading in the shares of the Company (the "Shares") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") has been suspended from 9:00 a.m. on 9 January 2012. The Stock Exchange has placed the Company in the third delisting stage under the Practice Notice 17 to the Listing Rules on 14 June 2017. If the Company does not submit a viable resumption proposal to the Stock Exchange by the end of the third delisting stage (that is, 13 December 2017), the Company's listing status will be cancelled. The Company has engaged legal consultants and a financial adviser to address the matters in respect of the resumption of the trading of the Shares on the Stock Exchange.

Up till the date of this results announcement, the trading in the Shares will continue to be suspended until further notice.

For and on behalf of the Board
Mayer Holdings Limited
Lee Kwok Leung
Chairman and Executive Director

Hong Kong, 9 April 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.