美亞控股有限公司*
MAYER HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01116)
(the "Company")

ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Financial Highlights:

- Total revenue for the year decreased by 3.5% to approximately RMB541.4 million from 2013.
- Loss for the year was approximately RMB14.1 million (2013: profit of approximately RMB7.2 million).
- The Gross profit for the year decreased by 0.4% to approximately RMB46.6 million and gross profit margin for the year increased by 3.2% to 8.6% from 2013.
- The basic loss per share for the year ended 31 December 2014 was RMB1.42 cents (2013: basic earnings per share of RMB0.37 cents).

The board of directors of the Company (the "Board") is pleased to present the audited consolidated financial results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2014 together with the comparative figures for the corresponding period in 2013.

* *For identification only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2014

	Notes	**2014** *RMB'000*	2013 *RMB'000*
Revenue	*3*	**541,360**	561,105
Cost of sales		**(494,729)**	(514,285)
Gross profit		**46,631**	46,820
Other income		**12,171**	16,788
Other net loss		**(740)**	(160)
Distribution costs		**(18,972)**	(17,065)
Administrative expenses		**(49,732)**	(33,162)
Other operating expenses		**(293)**	(1,469)
(Loss)/profit from operations		**(10,935)**	11,752
Finance costs		**(3,015)**	(4,244)
Impairment loss on joint ventures		**–**	(358)
(Loss)/profit before tax		**(13,950)**	7,150
Income tax expense	*5*	**(120)**	–
(Loss)/profit for the year	*4*	**(14,070)**	7,150
(Loss)/profit for the year attributable to:			
Owners of the Company		**(13,801)**	3,601
Non-controlling interests		**(269)**	3,549
		(14,070)	7,150
(Loss)/earnings per share	*7*		
Basic and diluted (RMB cents)		**(1.42)**	0.37

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2014

	2014	2013
	RMB'000	*RMB'000*
(Loss)/profit for the year	**(14,070)**	7,150
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**(2,613)**	3,072
Items that may not be reclassified to profit or loss:		
Exchange differences on translating foreign operations	**2,230**	(2,896)
Other comprehensive income for the year, net of tax	**(383)**	176
Total comprehensive income for the year	**(14,453)**	7,326
Total comprehensive income for the year attributable to:		
Owners of the Company	**(14,184)**	3,777
Non-controlling interests	**(269)**	3,549
	(14,453)	7,326

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Notes	2014 RMB'000	2013 RMB'000
Non-current assets			
Property, plant and equipment		**41,970**	46,371
Prepaid land lease payments		**6,640**	6,862
Interest in joint ventures		**–**	182
Available-for-sale financial assets		**11,766**	11,766
		60,376	65,181
Current assets			
Inventories		**56,681**	63,385
Trade and other receivables	*8*	**165,551**	170,832
Prepaid land lease payments		**222**	222
Amounts due from joint ventures		**–**	174
Cash and cash equivalents		**45,028**	46,140
		267,482	280,753
Current liabilities			
Trade and other payables	*9*	**78,713**	30,606
Amount due to a director		**–**	6,331
Current tax payable		**120**	–
Borrowings		**47,329**	92,848
		126,162	129,785
Net current assets		**141,320**	150,968
Total assets less current liabilities		**201,696**	216,149
NET ASSETS		**201,696**	216,149
Capital and reserves			
Share capital		**88,872**	88,872
Reserves		**64,132**	78,316
Equity attributable to owners of the Company		**153,004**	167,188
Non-controlling interests		**48,692**	48,961
TOTAL EQUITY		**201,696**	216,149

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

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 January 2016. 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 year 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 these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention.

The Group incurred a loss of approximately RMB14,070,000 for the year ended 31 December 2014. Furthermore, there are pending litigations and winding up petitions against the Group. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

These consolidated financial statements have been prepared on a going concern basis. The validity of which are based on the ability of the Group to attain profitable and positive cash flow from operation in foreseeable future. In additions, the directors of the Company (the "Directors") consider based on the latest progress of the negotiation of settlement agreements in connection with the acquisition of Yield Rise Limited ("Yield Rise") and the legal advices on winding up petitions, these litigations ultimately will not have significant impact to the financial position of the Group. Accordingly, the Directors are of the opinion that it is appropriate to prepare the financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets.

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, 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 People's Republic of China (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".

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

Information regarding the Group's reportable segments as provided to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2014 and 2013 is set out below:

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

	Steel – PRC *RMB'000*	Investment *RMB'000*	Total *RMB'000*
Year ended 31 December 2014			
Revenue from external customers	**541,360**	–	**541,360**
Segment profit	**1,687**	–	**1,687**
Interest income	**369**	–	**369**
Interest expenses	**2,328**	–	**2,328**
Dividend income	–	–	–
Fair value gain on financial assets at fair value through profit or loss	–	–	–
Depreciation and amortisation	**7,324**	–	**7,324**
Net loss on disposal of property, plant and equipment	**262**	–	**262**
Impairment loss on trade and other receivables	–	–	–
Reversal of impairment loss on trade and other receivables	**311**	–	**311**
Write down of inventories	–	–	–
Reversal of write down of inventories	**478**	–	**478**
Share of profit of joint ventures	–	–	–
Impairment loss on joint ventures	–	–	–
Income tax expense	**120**	–	**120**
Segment assets	**313,652**	–	**313,652**
Segment liabilities	**99,249**	–	**99,249**
Interests in joint ventures	–	–	–
Additions to non-current assets	**3,187**	–	**3,187**

	Steel – PRC *RMB'000*	Investment *RMB'000*	Total *RMB'000*
Year ended 31 December 2013			
Revenue from external customers	561,105	–	561,105
Segment profit/(loss)	17,822	(2)	17,820
Interest income	335	–	335
Interest expenses	3,298	–	3,298
Dividend income	5,506	–	5,506
Depreciation and amortisation	6,969	–	6,969
Fair value loss on financial assets at fair value through profit or loss	–	–	–
Net loss on disposal of property, plant and equipment	–	–	–
Impairment loss on trade and other receivables	437	–	437
Reversal of impairment loss on trade and other receivables	283	–	283
Write down of inventories	–	–	–
Reversal of write down of inventories	–	–	–
Share of profit of joint ventures	–	–	–
Impairment loss on joint ventures	–	358	358
Income tax expense	–	–	–
Segment assets	331,160	–	331,160
Segment liabilities	115,313	–	115,313
Interests in joint ventures	–	–	–
Additions to non-current assets	2,417	–	2,417

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

	2014	2013
	RMB'000	*RMB'000*
Profit or loss:		
Total profit of reportable segments	**1,687**	17,820
Finance cost	**(3,015)**	(4,244)
Depreciation	**(259)**	(364)
Corporate and unallocated profit or loss	**(12,363)**	(6,062)
Consolidated (loss)/profit before taxation for the year	**(13,950)**	7,150
Assets:		
Total assets of reportable segments	**313,652**	331,160
Corporate and unallocated assets:		
– Available-for-sale financial assets	**11,766**	11,766
– Others	**2,440**	3,008
Consolidated total assets	**327,858**	345,934
Liabilities:		
Total liabilities of reportable segments	**99,249**	115,313
Corporate and unallocated liabilities	**26,913**	14,472
Consolidated total liabilities	**126,162**	129,785

Geographical information:

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.

Revenue from major customers:

	2014	2013
	RMB'000	*RMB'000*
Revenue from Steel – PRC segment		
Customer A	**58,612**	55,868
Customer B	**53,520**	63,291

No other customers individually contributed more than 10% of the total consolidated revenue of the Group.

4. (LOSS)/PROFIT FOR THE YEAR

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

	2014	2013
	RMB'000	*RMB'000*
Cost of inventories sold	**494,729**	514,285
Depreciation	**7,130**	7,542
Amortisation of prepaid lease payments	**222**	222
Net exchange loss/(gains)	**710**	(339)
Operating lease charges in respect of land and buildings	**865**	795
Staff costs including directors' emoluments		
– Salaries, bonus and allowances	**42,845**	29,530
– Retirement benefits scheme contributions	**4,542**	3,139
	47,387	32,669

5. INCOME TAX EXPENSE

	2014	2013
	RMB'000	*RMB'000*
Current tax – PRC Corporate Income Tax	**120**	–

No provision for Hong Kong Profits Tax has been made for the year as the Group did not generate any assessable profits arising in Hong Kong (2013: Nil).

Pursuant to the income tax rules and regulations of the PRC, the subsidiaries in the PRC are liable to PRC Corporate Income Tax at a rate of 25% (2013: 25%) during the year.

6. DIVIDENDS

The Directors do not recommend or declare the payment of any dividend in respect of the years ended 31 December 2014 and 2013.

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 RMB13,801,000 (2013: profit of approximately RMB3,601,000) and the weighted average number of 972,564,000 ordinary shares (2013: 972,564,000 ordinary shares) in issue during the year.

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 years.

8. TRADE AND OTHER RECEIVABLES

	2014	2013
	RMB'000	*RMB'000*
Trade receivables	**150,946**	170,320
Less: allowance for doubtful debts	**(3,082)**	(3,381)
	147,864	166,939
Bills receivable	**8,020**	2,420
Other receivable	**257**	353
Prepayment and other deposit	**9,410**	1,120
	165,551	170,832

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

	2014	2013
	RMB'000	*RMB'000*
0 to 30 days	**45,291**	43,511
31 to 60 days	**49,223**	50,367
61 to 90 days	**29,001**	40,289
91 to 180 days	**24,193**	32,579
Over 180 days	**156**	193
	147,864	166,939

9. TRADE AND OTHER PAYABLES

	2014	2013
	RMB'000	*RMB'000*
Trade payables	**17,626**	9,244
Bill payables	**2,780**	–
Other payable	**48,154**	14,966
Dividend payable	**515**	502
Receipts in advance	**9,638**	5,894
	78,713	30,606

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

	2014	2013
	RMB'000	*RMB'000*
0 to 30 days	**15,166**	6,186
31 to 60 days	**2,328**	2,009
61 to 90 days	**95**	699
91 to 180 days	**8**	–
Over 180 days	**29**	350
	17,626	9,244

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is the extract of the independent auditor's report from the external auditors of the Company:

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements and whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

1 Opening balances and corresponding figures

Our audit opinion on the consolidated financial statements of the Group for the year ended 31 December 2013, which forms the basis for the corresponding figures presented in the current year's consolidated financial statements, was disclaimed because of the significance of the possible effect of the limitations on the scope of our audit, details of which are set out in our auditor's report dated 9 April 2018.

There were no satisfactory audit procedures to ascertain the existence, accuracy, presentation and completeness of certain opening balances and corresponding figures (as further detail explained in the following paragraphs) shown in the current year's consolidated financial statements.

2 Limited accounting books and records of the Group

Due to the insufficiency of supporting documentation and explanations for accounting books and records in respect of a subsidiary of the Company, Guangzhou Mayer Corporation Limited, and joint ventures for the years ended 31 December 2014 and 2013, we were unable to carry out audit procedures to satisfy ourselves as to whether the following income and expenses for the years ended 31 December 2014 and 2013 and the assets and liabilities as at those dates, and the segment information and other related disclosure notes in relation to the Group, as included in the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements:

Income and expenses for the years ended 31 December:

	2014 *RMB'000*	2013 *RMB'000*
Revenue	**541,360**	561,105
Cost of sales	**(494,729)**	(514,285)
Gross profit	**46,631**	46,820
Other income	**12,165**	16,455
Other net loss	**(646)**	(50)
Distribution costs	**(18,972)**	(17,065)
Administrative expenses	**(37,200)**	(21,364)
Other operating expenses	**(293)**	(1,469)
Profit from operation	**1,685**	23,327
Finance cost	**(3,012)**	(4,244)
Impairment loss on joint ventures	**–**	(358)
(Loss)/ profit before taxation	**(1,327)**	18,725
Income tax expense	**(120)**	–
(Loss)/ profit for the year	**(1,447)**	18,725

Assets and liabilities as at 31 December:

	2014 *RMB'000*	2013 *RMB'000*
Non-current assets		
Property, plant and equipment	**5,457**	3,837
Interest in joint ventures	**–**	182
	5,457	4,019
Current assets		
Inventories	**56,681**	63,385
Trade and other receivables	**164,767**	170,409
Cash and cash equivalents	**43,484**	44,424
	264,932	278,218
Current liabilities		
Trade and other payables	**53,002**	22,466
Current tax payable	**120**	–
Bank borrowings	**46,128**	92,848
	99,250	115,314
NET ASSETS	**171,139**	166,923

3 **Commitments and contingent liabilities**

No sufficient evidence has been provided to satisfy ourselves as to the existence and completeness of the disclosures of commitments and contingent liabilities as at 31 December 2014 and 2013.

4 **Related party transactions and disclosures**

No sufficient evidence has been provided to satisfy ourselves as to the existence and completeness of the disclosures of the related party transactions for the years ended 31 December 2014 and 2013 and the related party balances as at 31 December 2014 and 2013 as required by Hong Kong Accounting Standard 24 (revised) "Related Party Disclosures".

5 **Unconsolidation of Yield Rise Limited**

Due to the dispute between Make Success Limited ("Make Success") and the Company in connection with the acquisition of Yield Rise and its subsidiaries ("Yield Rise Group"), the financial statements of Yield Rise Group have not been consolidated in the Group's consolidated financial statements for the year ended 31 December 2014 and 2013. In addition, the promissory notes and convertible bonds issued for the acquisition were not recognised in the consolidated financial statements.

Under Hong Kong Financial Reporting Standard 10 "Consolidated Financial Statements" ("HKFRS 10"), the Company should consolidate Yield Rise Group if the Company has power to control Yield Rise Group to affect the return from them. We have not been able to obtain sufficient appropriate audit evidence to assess (i) whether the Company has control over Yield Rise Group; and (ii) the validity of the promissory notes and convertible notes. We are unable to determine whether there is a departure from HKFRS 10 and the promissory notes and convertible notes should be recognised in the Group's consolidated financial statements.

6 **Available-for-sale financial assets**

The investment in 29.85% equity interest in Vietnam Mayer Company Limited ("Vietnam Mayer") of approximately RMB11,766,000 is recognised as available-for-sale financial assets and stated at cost as at 31 December 2014 and 2013. We have not been able to obtain sufficient appropriate audit evidence to assess whether the Group has significant influence in Vietnam Mayer. Therefore, we are unable to determine whether Vietnam Mayer should be recognised as an associate and accounted for using equity method of accounting. In addition, we have not been able to obtain sufficient appropriate audit evidence as to the accuracy of its carrying amount.

Any adjustments to the figures as described from points 1 to 6 above might have significant consequential effects on the Group's results and cash flows for the years ended 31 December 2014 and 2013 and the financial position of the Group as at 31 December 2014 and 2013, and the related disclosures thereof in the consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF RESULTS

For the year ended 31 December 2014, the Group reported consolidated revenue of approximately RMB541,360,000 representing a decrease of 3.5% over last year. Gross profit margin was 8.6% compared to last year's 8.3%. Loss attributable to owners of the Company was approximately RMB13,801,000, compared with last year's profit of approximately RMB3,601,000. Loss per share for the year was RMB1.42 cents versus last year's profit per share RMB0.37 cents.

BUSINESS REVIEW

The primary business focus for the new management of the Company in the year of review is the removal of the former Directors, the appointments of new Directors and to publish all outstanding financial results. The Company had found that the local management of Guangzhou Mayer might have used forgery documents in connection with the 2013 shareholders' meeting of Guangzhou Mayer on 20 December 2013. Therefore, the Company is seeking further legal advice in relation to the matters and made public statement to reserve all its rights against the local management of Guangzhou Mayer.

Up to the date of this results announcement, the only active operating subsidiary of the Company is still Guangzhou Mayer, which is a manufacturer and distributor of steel pipes, steel sheets and other metal products in the PRC. The market territories of Guangzhou Mayer include the domestic sales of the steel products in the PRC and the indirect export distribution. The Company indirectly holds 81.4% equity interest in Guangzhou Mayer through Bamian Investments Pte Limited, a direct wholly-owned subsidiary of the Company incorporated in Singapore. The Group's effective interest in Guangzhou Mayer is 81.4%.

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 vendor. Yield Rise controls the right to develop a designed port and certain real estate projects in the Dan Tien Port of Vietnam. However, the Company subsequently discovered that it was induced into the acquisition transaction by the misrepresentations made by Make Success and its accomplices; therefore, the Company commenced legal proceedings in the High Court of Hong Kong under action number of HCA64 of 2012 against Make Success and other allegedly related parties ("HCA64/2012"). 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 and the latest updates of the HCA64/2012 case and those legal proceedings, together with all other material information of the Company, had been disclosed in details by the Company's prompt announcements during the financial year under review.

On or about 21 August 2014, Capital Wealth Finance Company Limited ("Capital Wealth") and Bumper East Limited ("Bumper East") issued a notice to the Company requisitioning two extraordinary general meetings (the "Requested EGMs") for removing all of the existing Directors (except Mr. Li Deqiang) and appointing new Directors. In the absence of any verifiable credentials provided by both conveners, the Company claimed that it could not confirm if the requisition notice for convening the Requested EGMs was valid. Upon the rejection of convening the Requested EGMs by the Company, Capital Wealth and Bumper East convened the Requested EGMs on 9 October 2014 without the participation of the former management of the Company (the "2014 EGMs"). The details of the 2014 EGMs and the poll results concluded therefrom had been disclosed in the Company's three announcements posted on 16 January 2015. Thereafter, the resolutions passed in the 2014 EGMs had been confirmed and ratified by another extraordinary general meeting of the Company convened on 10 August 2015.

PRODUCTION AND SALES

The revenue from indirect export sales of steel products in the PRC during the year was approximately RMB306,872,000, representing a slightly decrease of approximately 5.4% compared with approximately RMB324,303,000 for the 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 year was approximately RMB225,639,000, representing a slightly decrease of approximately 2.4% compared with approximately RMB231,207,000 for the last year.

The revenue from direct export sales of steel products outside the PRC and Vietnam during the year was approximately RMB8,849,000 representing an increase of approximately 58.2% while it was approximately RMB5,595,000 for the last year.

GROSS PROFIT

The Group recorded a gross profit of approximately RMB46,631,000 for the year, with a gross profit margin of approximately 8.6%, compared with the gross profit of approximately RMB46,820,000 and a gross profit margin of approximately 8.3% for the last year.

OPERATING EXPENSES

The total operating expenses of the Group for the year were approximately RMB68,997,000, of which approximately RMB18,972,000 in distribution costs, RMB49,732,000 in administrative expenses and RMB293,000 in other operating expenses, accounting for approximately 3.5%, 9.2%, and 0.1% of revenue respectively while the amounts for the last year were approximately RMB17,065,000, RMB33,162,000, and RMB1,469,000 respectively, accounting for approximately 3.0%, 5.9%, and 0.3% respectively. The increase in operating expenses was mainly attributable to the increase in staff cost for the year 2014.

FINANCE COSTS

During the year, the Group incurred approximately RMB3,015,000 in finance costs, compared with approximately RMB4,244,000 for the last year. The Group relied on bank borrowings to finance its trading activities, the decrease in finance costs paid during the year was mainly due to the decrease in average balance of bank loans.

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 31 December 2014, the Group had bank deposits and cash balances of approximately RMB45,028,000.

The Group had net current assets of approximately RMB141,320,000 as at 31 December 2014 as compared with RMB150,968,000 as at 31 December 2013. The current ratio (current assets divided by current liabilities) changed to approximately 2.12 as at 31 December 2014 from 2.16 as at 31 December 2013.

The Group had a total of approximately RMB120,833,000 financing facilities from banks were available as at 31 December 2014, of which approximately RMB120,833,000, mainly denominated in US dollars 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 31 December 2014 was approximately 62.6% while it was 60.0% as at 31 December 2013. Current portion of borrowings accounted for approximately 14.4% and 26.8% of the total assets of the Group as at 31 December 2014 and 31 December 2013, respectively.

CASH FLOW

For the year, the Group generated net cash inflow of RMB50,150,000 from its operating activities, as compared to net cash inflow of approximately RMB19,882,000 for the last year. The increase in net cash inflow from operating activities was primarily due to the decrease in trade receivables and other receivables, decrease in inventories and increase in trade payable and other payables. Net cash outflow of approximately RMB2,327,000 was from investing activities for the year, mainly resulted from payment for purchases of property, plant and equipment. Net cash outflow of approximately RMB48,534,000 was from financing activities, mainly resulted from net repayment of bank borrowings. Banks deposits and cash balances as at 31 December 2014 amounted to approximately RMB45,028,000, 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 year, the Group was not exposed to any significant foreign exchange risk. In general, it is the Group's policy for each operating entity to borrow in local currencies, where necessary, to minimize currency risk.

CHARGE ON GROUP ASSETS

As at 31 December 2014, 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 result announcement:

1. In January 2012, the Group commenced litigation against Make Success and certain parties (the "Defendants") involved in the acquisition of Yield Rise 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. The Directors expected that the Group and the Defendants will agree to reach a settlement 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, filed a Winding Up Petition 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 petition. 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 had received a notice dated 6 December 2017 from the Intermediate Court of Guangzhou Municipality, Guangdong Province (the "Intermediate Court") that the Intermediate Court had received the application of the winding up petition against Guangzhou Mayer filed by Wealth & Health Investments Limited and Taishun Industrial (Inner Mongolia) Food Co., Limited. The Intermediate Court has not decided the date for hearing of the said winding up petition. According to legal advice, the winding up petition against Guangzhou Mayer do not meet the conditions required by the relevant laws. The Directors believe that the application of the winding up petition 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 31 December 2014, the Group had total of 341 employees. Total staff costs for the year ended 31 December 2014 were approximately RMB47,387,000, including retirement benefits cost of approximately RMB4,542,000. 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 adopted on 24 May 2004 for the primary purpose of providing incentive and to recognize the contribution of the eligible participants to the growth of the Group (the "Share Option Scheme"). Under the Share Option Scheme, the Board may grant options to eligible full-time employees, including any executive, non-executive and independent non-executive Directors, and consultants or advisers of the Company and/or of its subsidiaries. The Share Option Scheme had expired on 24 May 2014 and no option had ever been granted under the Share Option 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 the 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.

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; namely, Mr. Lau Kwok Hung (who is also the chairman of the Audit Committee), Mr. Ng Cheuk Lun and Mr. Deng Shimin. The annual results of the Company for the year ended 31 December 2014 have been reviewed by the Audit Committee.

CORPORATE GOVERNANCE

The Company is committed to the establishment of stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. The Company strives to maintain a high standard of corporate governance. The Board is of the view that, for the year ended 31 December 2014, the Company complied with the code provisions on the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Listing Rules, save for the deviations below:

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.1.1 to A.1.5, C.3.1	Due to loss of records, the Company was unable to ensure there were regular Board meetings and committee meeting were held for the year in review (the "Financial Year").
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.2.1	Mr Lai Yueh-Hsing has been both the Chairman and chief executive officer of the Company. Given the Company's current stage of development, the Board considers that vesting the roles of Chairman and chief executive officer in the same person facilitates the execution of the Company's business strategies and maximizes effectiveness of its operations. The Board shall nevertheless review the structure from time to time and shall consider the appropriate adjustment should suitable circumstance arise.

The then code provision	Reason for the non-compliance and improvement actions took or to be taken
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.

INTERNAL CONTROL

Compliance with the Model Code for Directors' Securities Transactions

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the standard for securities transactions by the Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 December 2014.

The Company has also established written guidelines on no less exacting terms than the Model Code for securities transactions by the relevant employees of the Group, who are likely to be in possession of inside information of the Company.

Purchase, Sale or Redemption of the Company's Listed Securities

Save as disclosed in this announcement, during the year ended 31 December 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PUBLICATION OF THE 2014 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The Company's Annual Report for the year ended 31 December 2014 will be published on the websites of the Stock Exchange at www.hkex.com.hk and the Company at www.mayer.com.hk in due course.

CONTINUED SUSPENSION OF THE TRADING IN THE SHARES OF THE COMPANY

Trading in the Shares on 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.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2014 have been agreed by the Group's auditors, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary results announcement.

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.