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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)

**PROPOSED CONNECTED AND DISCLOSEABLE TRANSACTION
GRANTING OF GUARANTEE IN RESPECT OF LOAN FACILITIES
FROM BANKS TO AN ASSOCIATE OF A CONNECTED PERSON**

As stated in the Announcement, the Borrower proposed to obtain the Old Loan Facilities from the Old Lender. As informed by the Borrower in early May of 2005, the Old Lender only accepts guarantees provided by a company incorporated in Shanghai to provide the guarantee. Thus, the Old Guarantee will not be entered.

The Borrower proposes to obtain the New Loan Facilities from the New Lenders and Guangzhou Mayer, a 77.52% owned subsidiary of the Company, will provide the New Lenders with the New Guarantees. The Borrower is a 60% owned subsidiary of Taiwan Mayer. As Taiwan Mayer is a substantial Shareholder, the Borrower is a connected person of the Company. As the commitment of Guangzhou Mayer under the New Guarantees exceeds 2.5% of the relevant percentage ratios (as defined in the Listing Rules) and the total consideration is more than HK\$10 million, the granting of the New Guarantees by Guangzhou Mayer will constitute a connected transaction of the Company under Rule 14A of the Listing Rules, which will be subject to the reporting, announcement and Independent Shareholders' approval requirements of Chapter 14A of the Listing Rules.

The commitment of Guangzhou Mayer under the New Guarantees exceeds 5% but less than 25% of the relevant percentage ratios (as defined in the Listing Rules). As a result, the grant of the New Guarantees will constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

An Independent Board Committee has been formed for the purpose of advising the Independent Shareholders on the terms of the New Guarantees. Watterson Asia Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders on the same. The Company will send to the Shareholders for their information a circular containing, amongst other things, details of the granting of the New Guarantees, a letter from the Independent Board Committee, a letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, and a notice of EGM which will be held to approve the New Guarantees as soon as possible, in any event within 21 days after the publication of this announcement. Taiwan Mayer, being the controlling Shareholder holding approximately 75% of the issued share capital of the Company, and its associates will abstain from voting with regard to the ordinary resolution(s) in connection with the New Guarantees to be proposed at the EGM.

The New Guarantees may or may not be approved by the Independent Shareholders. Shareholders and potential Shareholders are advised to exercise caution when dealing in the Shares.

Reference is made to an announcement of the Company dated 15 February 2005, the circular of the Company dated 9 March 2005 and an announcement of the Company dated 29 April 2005 in respect of granting of the Old Guarantee by Guangzhou Mayer in respect of the Old Loan Facilities from the Old Lender to the Borrower, an associate of a connected person.

THE OLD GUARANTEE

As stated in the Announcement, prior to the solicitation of the Old Loan Facilities, the Borrower had entered into 5 loan agreements with the Old Lender for a total sum of RMB60 million (equivalent to approximately HK\$56.60 million) which is secured by a guarantee granted by a supplier of the Borrower to the Old Lender in consideration of the grant of guarantees by the Borrower to secure borrowings of a total sum of RMB71.5 million (equivalent to approximately HK\$67.45 million) from a bank in the PRC to the supplier (and its associate) of the Borrower. The outstanding borrowings of the supplier of the Borrower which is secured by a guarantee granted by the Borrower to a bank in the PRC as at the date of this announcement amounts to RMB50 million (equivalent to approximately HK\$47.17 million), of which the latest maturity date of the borrowings is 21 April 2006. The above guarantee granted by the Borrower to a bank in the PRC takes effect until the expiration of two years from the repayment date of the above borrowings. As the Borrower would not intend to grant a guarantee in favor any other third parties in return for a grant of guarantee in its favor, the Borrower proposed to obtain the Old Loan Facilities from the Old Lender which would be secured by a guarantee granted by Guangzhou Mayer. The Borrower informed the Old Lender in early February of 2005 for the proposed Old Guarantee. Without receiving any negative feedback from the Old Lender in the preliminary stage of negotiation with the Old Lender, the Company announced the Old Guarantee on 15 February 2005. An extraordinary general meeting was also held on 29 April 2005, in which the Old Guarantee has been duly passed by way of poll.

However, as informed by the Borrower in early May of 2005, the Old Lender only accepts guarantees provided by a company incorporated in Shanghai due to the strengthen internal control policy of the Old Lender. Thus the Old Guarantee will not be entered. The 5 loan agreements with the Old Lender for a total sum of RMB60 million (equivalent to approximately HK\$56.60 million) were renewed to 4 September 2005 which is secured by a guarantee granted by the supplier of the Borrower.

THE NEW GUARANTEES

Pursuant to the New Guarantees to be provided by Guangzhou Mayer, Guangzhou Mayer shall provide the New Lenders with guarantees to secure the obligations of the Borrower in respect of the New Loans to be drawn by the Borrower under the New Loan Facilities for not more than 24 months commencing from the date of execution of the New Guarantees, which shall include repayment guarantees on all indebtedness under the New Loan Agreements. For the relationship between the Company and the Borrower, please refer to the shareholding structure of the Borrower as shown in the section headed "Shareholding structure of the Borrower" below. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the New Lenders and its ultimate beneficial controlling owners are third parties independent of the Company, Taiwan Mayer, and the other connected persons of the Company.

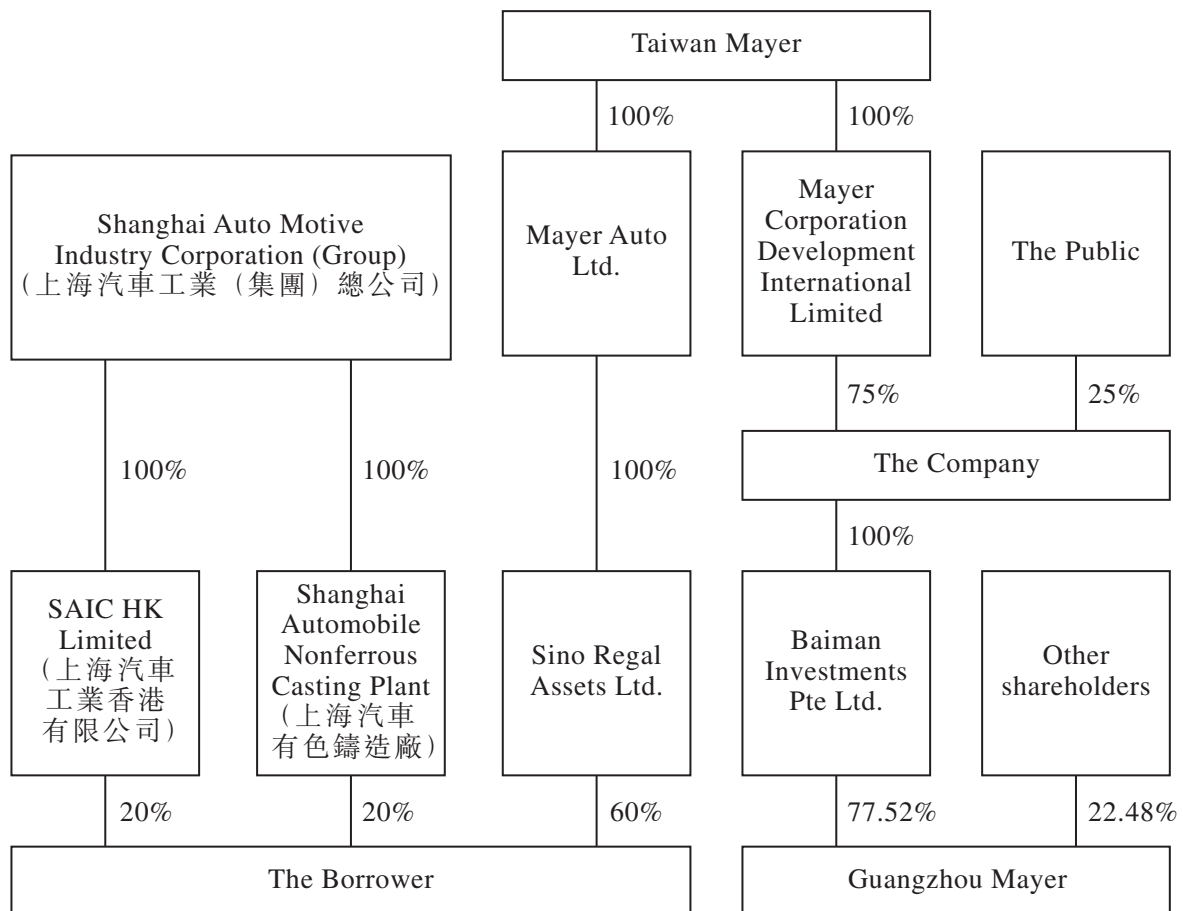
The purpose of the New Loan Facilities is to repay the above mentioned 5 loans with the Old Lender for a total sum of RMB60 million (equivalent to approximately HK\$56.60 million) which is secured by a guarantee granted by the supplier of the Borrower. Pursuant to the New Guarantees, guarantees for revolving bank facilities up to a maximum amount of RMB60 million (equivalent to approximately HK\$56.6 million) (final amount of not more than RMB60 million to be determined by the New Lenders) will be given by Guangzhou Mayer to the New Lenders. The interest rate applicable to the New Loans

will be agreed between the New Lenders and the Borrower on normal commercial terms after arm's length negotiation between the Borrower and the New Lenders upon each drawing of New Loans and is intended to be determined with reference to relevant interest rates set by People's Bank of China from time to time. The maturity of the New Loans will be agreed between the New Lenders and the Borrower for each New Loans to be drawn under the New Loan Facilities. The New Guarantees are expected to be executed at the same time of execution of the New Loan Facilities and would take effect until the expiration of two years from the repayment date of the New Loans. The maximum exposure of Guangzhou Mayer will be the principal, the interests accrued, fees or otherwise which are, or may become payable under the New Loan Agreements as to be agreed between the New Lenders and the Borrower.

Guangzhou Mayer will receive a back-to-back guarantee from Taiwan Mayer in respect of the granting of the New Guarantees, pursuant to which in the event that the New Guarantees are enforced by the New Lenders as a result of the default of the Borrower under the New Loan Agreements, Guangzhou Mayer shall have the right to be fully indemnified by Taiwan Mayer. The Borrower will also pay an annual guarantee fee in cash amounting to 0.75% of the amount of the New Loan Facilities which is payable after every six months to Guangzhou Mayer as agreed between the Borrower and Guangzhou Mayer. The amount of the annual guarantee fee was determined after arm's length negotiation between the Borrower and Guangzhou Mayer which has taken account of the provision of a back-to-back guarantee from Taiwan Mayer and the opportunity of business co-operation with the Borrower.

SHAREHOLDING STRUCTURE OF THE BORROWER

Set out below is the existing shareholding relationship between the Company and the Borrower:



REASONS FOR AND BACKGROUND OF THE GRANTING OF THE NEW GUARANTEES

The principal activities of the Group are processing and manufacture of different kinds of steel sheets and steel pipes which are used by its customers in the manufacture of computing, consumer electronics and communication products, sports equipment, as well as spare parts of household appliances and motor vehicles.

The principal business of Taiwan Mayer is processing and manufacture of steel pipes mainly for the domestic market in Taiwan.

The current principal business of the Borrower is manufacture of alloy wheel and related accessories in the PRC for the domestic and overseas markets.

As informed by the Borrower, the Borrower intends to replace all its guarantees, which is secured by other third parties, by its shareholders. Thus Taiwan Mayer, a shareholder of the Borrower, is requested to provide the New Guarantees. As the Borrower has been informed by the New Lenders which are banks in the PRC that they could only accept guarantees granted by a PRC company and Guangzhou Mayer is the only PRC fellow subsidiary of the Borrower within the same group under the control of Taiwan Mayer, the Borrower has requested Guangzhou Mayer to provide the New Guarantees.

In respect of the benefits of the Group, Guangzhou Mayer will receive an annual guarantee fee in cash amounting to 0.75% of the amount of the New Loan Facilities which is payable after every six months as agreed between the Borrower and Guangzhou Mayer. The guarantee fee was arrived at after arm's length negotiations and on commercial basis.

The Directors further believe that the granting of the New Guarantees (which forms part of the terms agreed under the New Loan Agreements) will only involve obligation of Guangzhou Mayer upon default of the Borrower. Moreover, a back-to-back guarantee will also be granted by Taiwan Mayer in consideration of the grant of the New Guarantees by Guangzhou Mayer.

Though the Company has no concrete plan at this moment, the board of Directors is studying the feasibility of establishing business co-operation with the Borrower and it is one of the reasons considered by the Directors for providing the New Guarantees. The board of Directors (including the independent non-executive Directors) considers that the terms of the New Guarantees are on normal commercial terms and are fair and reasonable as far as the Shareholders are concerned.

GENERAL

The commitment of Guangzhou Mayer under the New Guarantees exceeds 5% but less than 25% of the relevant percentage ratios (as defined in the Listing Rules). As a result, the grant of the New Guarantees will constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The Borrower is a 60% owned subsidiary of Taiwan Mayer. As Taiwan Mayer is a substantial Shareholder, the Borrower is a connected person of the Company. As the commitment of Guangzhou Mayer under the New Guarantees exceeds 2.5% of the relevant percentage ratios (as defined in the Listing Rules) and the total consideration is more than HK\$10 million, the granting of the New Guarantees by Guangzhou Mayer will constitute a connected transaction of the Company under Rule 14A of the Listing Rules, which will be subject to the reporting, announcement and Independent Shareholders' approval requirements of Chapter 14A of the Listing Rules.

An Independent Board Committee has been formed for the purpose of advising the Independent Shareholders on the terms of the New Guarantees. Watterson Asia Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders on the same.

The Company will send to the Shareholders for their information a circular containing, amongst other things, details of the granting of the New Guarantees, the letter from the Independent Board Committee, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, and a notice of EGM which will be held to approve the New Guarantees as soon as possible, in any event within 21 days after the publication of this announcement.

Taiwan Mayer, being the controlling Shareholder holding approximately 75% of the issued share capital of the Company, and its associates will abstain from voting with regard to the ordinary resolution(s) in connection with the New Guarantees to be proposed at the EGM.

The New Guarantees may or may not be approved by the Independent Shareholders. Shareholders and potential Shareholders are advised to exercise caution when dealing in the Shares.

TERMS USED IN THIS ANNOUNCEMENT

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

“Announcement”	an announcement of the Company dated 15 February 2005 in respect of the Old Loan Facilities from the Old Lender to the Borrower, an associate of a connected person
“associates”	as defined under the Listing Rules
“Borrower”	Shanghai Fervent Alloy Wheel Manufacturing Co., Ltd. (上海金合利鋁輪轂製造有限公司), a 60% owned subsidiary of Taiwan Mayer
“Company”	Mayer Holdings Limited
“connected person”	as defined under the Listing Rules
“Directors”	directors of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to approve, amongst other things, the New Guarantees or any adjournment thereof
“Group”	the Company and its subsidiaries
“Guangzhou Mayer”	Guangzhou Mayer Corp., Ltd. (廣州美亞金屬製品有限公司), a joint stock limited liability company established under the laws of the PRC and a 77.52 owned subsidiary of the Company
“Independent Board Committee”	an independent board committee of the Board comprising the independent non-executive Directors of the Company, namely Lin Sheng-bin, Huang Jui-hsiang and Alvin Chiu

“Independent Shareholders”	Shareholders (other than Taiwan Mayer and its associates which will abstain from voting) who are not required to abstain from voting with regards to the ordinary resolution(s) in connection with the New Guarantees to be proposed at the EGM
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“New Guarantees”	the corporate guarantees in respect of the New Loan Facilities to be provided by Guangzhou Mayer to the New Lenders guaranteeing the performance by the Borrower of its obligations under the New Loan Agreements
“New Lenders”	banks established under the laws of the PRC which intend to provide the New Loan Facilities to the Borrower
“New Loans”	the loans which may be drawn by the Borrower under the New Loan Facilities
“New Loan Agreements”	the new loan agreements to be entered into between the New Lenders and the Borrower in respect of the New Loans
“New Loan Facilities”	revolving banking facilities up to a maximum amount of RMB60 million (equivalent to approximately HK\$56.60 million) (final amount of not more than RMB60 million to be determined by the New Lenders) to be granted by the New Lenders to the Borrower
“Old Guarantee”	the corporate guarantee in respect of the Old Loan Facilities to be provided by Guangzhou Mayer to the Old Lender guaranteeing the performance by the Borrower of its obligations
“Old Lender”	Bank of Shanghai (上海銀行), a bank established under the laws of the PRC
“Old Loan Facilities”	revolving banking facilities up to a maximum amount of RMB60 million (equivalent to approximately HK\$56.60 million) (final amount of not more than RMB60 million to be determined by the Old Lender) to be granted by the Old Lender to the Borrower
“PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only, excludes Hong Kong, Macau and Taiwan
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taiwan Mayer”	Mayer Steel Pipe Corporation, the ultimate controlling Shareholder, a company incorporated in Taiwan, the shares of which are listed on the Taiwan Stock Exchange Corporation
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

The exchange rate used for reference purpose in this announcement is HK\$1 to RMB1.06.

By Order of the Board
Mayer Holdings Limited
LAI Yueh-hsing
Chairman

Hong Kong, 27 June 2005

As at the date of this announcement, the executive Directors are Lai Yueh-hsing, Lo Haw, Shen Heng-chiang, Wu Kuo-lung, Cheng Dar-terng, Chiang Jen-chin, the non-executive Directors are Hsiao Ming-chih, Huang Chun-fa and the independent non-executive Directors are Lin Sheng-bin, Huang Jui-hsiang and Alvin Chiu.

* *For identification purpose only*