
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Mayer Holdings Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**DISCLOSEABLE TRANSACTION
RELATING TO THE PURCHASE OF AIRCRAFTS**

Financial advisor



South China Capital Limited

* For identification purpose only

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context indicates otherwise:

“Acquisition”	the purchase of the Aircrafts
“Aircrafts”	two Dornier 228-212 aircrafts, each in a 19 passengers configuration for passenger and cargo transportations
“Aircraft Sale Agreements”	two agreements dated 8 April 2005 between ROC Advance and UNI Airways Corporation in respect of the purchase of the two Aircrafts
“Announcement”	the announcement dated 15 April 2005 issued by the Company regarding, among other things, the Acquisition
“Board”	the board of Directors
“business day”	a day (other than a Saturday or Sunday) on which banks are open for business in Taipei, London and New York
“Company”	Mayer Holdings Limited and the shares of which are listed on the Main Board of the Stock Exchange
“Daily Air Corporation, Inc.”	a corporation incorporated in the Republic of China which is principally engaged in operating domestic airlines for passenger and cargo transportations among offshore islands in the Republic of China
“Delivery Conditions”	the main conditions include the Aircrafts (i) shall have a valid Taiwanese CAA Certificate of Airworthiness; (ii) shall have no major maintenance tasks having a performance interval greater than 1,800 hours due in three months after the Delivery Date; (iii) shall have no outstanding deferred maintenance items on the Delivery Date; and (iv) shall be undergone a one-hour demonstration flight and rectified all observed defects outside of maintenance limits noted during such demonstration flight prior to delivery
“Delivery Date”	29 April 2005 or such other date agreed by ROC Advance and UNI Airways Corporation within 45 days
“Directors”	directors of the Company, including the independent non-executive directors

DEFINITIONS

“Group”	the Company and its subsidiaries
“Guangzhou Mayer”	Guangzhou Mayer Corp., Ltd. (廣州美亞股份有限公司), a joint stock limited liability company established under the laws of the PRC on 23rd November, 1995 (formerly known as Guangzhou Mayer Metal Co., Ltd. (廣州美亞金屬製品有限公司), a limited liability company established under the laws of the PRC and a subsidiary of the Company
“Latest Practicable Date”	3 May 2005, being the latest practicable date for ascertaining certain information referred to this circular prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“ROC Advance”	ROC Advance Limited, a limited company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taiwan Mayer”	Mayer Steel Pipe Corporation, the ultimate controlling Shareholder, a company incorporated in Taiwan, whose shares are listed on the Taiwan Stock Exchange Corporation
“Total Loss”	(i) the actual or constructive total loss of the Aircrafts; or (ii) the hijacking, theft or requisition of the Aircrafts or the seizure, arrest, detention or confiscation of the Aircrafts by any government or any by person(s) acting or purporting to act on behalf of any government unless in any case the Aircrafts are released within six months; or (iii) the Aircrafts being destroyed, damaged beyond repair or permanently rendered unfit for normal use for any reason whatsoever

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the People’s Republic of China
“NTD”	New Taiwanese dollars, the lawful currency of the Republic of China
“USD”	US dollars, the lawful currency of the United States of America

The exchange rate used for reference purpose in this circular is HK\$1 to NTD3.9307 and USD1 to HK\$7.8.



美亞控股有限公司*
MAYER HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1116)

Executive Directors

Mr. Lai Yueh-hsing
Mr. Lo Haw
Mr. Shen Heng-chiang
Mr. Wu Kuo-lung
Mr. Cheng Dar-terng
Mr. Chiang Jen-chin

Registered Office:

P.O. Box 309GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

Non-executive Directors

Mr. Hsiao Ming-chih
Mr. Huang Chun-fa

Principal Office in Hong Kong:

501, 5/F, Aon China Building
29 Queen's Road Central
Hong Kong

Independent Non-executive Directors

Mr. Lin Sheng-bin
Mr. Huang Jui-hsiang
Mr. Alvin Chiu

6 May 2005

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
RELATING TO THE PURCHASE OF AIRCRAFTS**

INTRODUCTION

In the Announcement, the Board announced that, amongst other things, ROC Advance, a wholly-owned subsidiary of the Company, has entered into a letter of intent with UNI Airways Corporation on 4 April 2005 regarding the purchase of two Dornier 228-212 aircrafts from UNI Airways Corporation. On 8 April 2005, ROC Advance has entered into the Aircraft Sale Agreements with UNI airways Corporation to purchase the Aircrafts.

ROC Advance also entered into an aircraft lease agreement with Daily Air Corporation, Inc. regarding the leasing of the Aircrafts and the provision of consultancy services by ROC Advance to Daily Air Corporation, Inc. for a term of three years commencing from 1 May 2005 to 30 April 2008 in consideration of rental fee of USD26,000 (equivalent to approximately HK\$202,800) each per month and consultancy fee of USD10,000 (equivalent to approximately HK\$78,000) per month respectively. The transactions pursuant to the aircraft lease agreement constitute continuing connected transactions of the Company under Rule 14A.34 of the Listing Rules.

* For identification purpose only

LETTER FROM THE BOARD

As the Acquisition exceeds five per cent. but less than 25 per cent. of the relevant percentage ratios (as defined in the Listing Rules), the Acquisition is considered as a discloseable transaction under Chapter 14 of the Listing Rules. The purpose of this circular is to give you further information in relation to the Acquisition and other information in compliance of Rule 14.38 of the Listing Rules. The details regarding the on-going connected transaction is included in this circular as supplemental information to the Acquisition.

AIRCRAFT SALE AGREEMENTS

The principal terms of the Aircraft Sale Agreements are as follows:

Date

8 April 2005

Parties

Vendor:

UNI Airways Corporation, a company established under the laws of the Republic of China. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, UNI Airways Corporation and its ultimate beneficial owner(s) are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company, and are not connected persons of the Company. Mr. Lai Yueh-hsing, the chairman and executive director of the Company and Daily Air Corporation, Inc., introduced UNI Airways Corporation to the Company.

Purchaser:

ROC Advance

Asset to be purchased

ROC Advance acquires two Dornier 228-212 aircrafts from UNI Airways Corporation.

Consideration

The consideration payable by ROC Advance for the acquisition of the used Aircrafts, both of which have an estimated remaining useful life of approximately ten years, is NTD56.32 million (equivalent to approximately HK\$14.328 million), which was determined as a matter of commercial decision after arm's length negotiations. UNI Airways Corporation quoted the price for the Aircrafts according to its price list and the Company compared the offered price with the market price, which is publicly available on website, of the similar aircrafts in

LETTER FROM THE BOARD

terms of the aircraft's model and the ex-factory date to reach such consideration. Such consideration is payable by ROC Advance in the following manner:

1. NTD2.774 million (equivalent to approximately HK\$0.706 million) upon signature of the letter of intent;
2. NTD2.858 million (equivalent to approximately HK\$0.727 million) upon signature of the Aircraft Sale Agreements; and
3. NTD50.688 million (equivalent to approximately HK\$12.895 million) before the Delivery Date.

The Acquisition will be financed by the internal resources of the Company.

Conditions precedent

The obligation of UNI Airways Corporation to sell and effect delivery of the Aircrafts to ROC Advance shall be subject to fulfillment of each of the following conditions:

1. UNI Airways Corporation shall have received the insurance certificate on liability insurance, the acceptance certificate duly executed by ROC Advance, evidence of appointment of and acceptance by Daily Air Corporation Inc. as a process agent and the duly executed Aircraft Sale Agreements;
2. a certified copy of the constitutional documents of ROC Advance and a certified copy of a resolution of the board of directors of ROC Advance approving the terms of, and the transactions contemplated by, the Aircraft Sale Agreements;
3. legal opinion addressed to UNI Airways Corporation from counsel acceptable to UNI Airways Corporation and in form and substance acceptable to UNI Airways Corporation confirming the capacity and authority the ROC Advance to enter into the transactions;
4. UNI Airways Corporation shall have received the consideration and any other amount subject to the terms of the Aircraft Sale Agreements; and
5. the representations given by ROC Advance of the Aircraft Sale Agreements are true and accurate on the Delivery Date.

If any of the abovementioned conditions precedent remain outstanding on the Delivery Date and are not waived or deferred in writing by UNI Airways Corporation, UNI Airways Corporation shall advise ROC Advance accordingly and that ROC Advance shall have three business days to fulfill the outstanding precedent(s). In the event that ROC Advance does not fulfill the outstanding precedent(s) within three business days, to the satisfaction of UNI Airways Corporation, UNI Airways Corporation shall be entitled to terminate its obligation to sell the Aircrafts to ROC Advance by written notice to ROC Advance and UNI Airways Corporation shall have no obligation or liability towards ROC Advance in relation to the Aircrafts and UNI Airways Corporation shall be entitled to retain the deposit.

LETTER FROM THE BOARD

The obligation of ROC Advance to purchase and take delivery of the Aircrafts from UNI Airways Corporation shall be subject to fulfillment of each of the following conditions:

1. the Aircrafts being in existence on the Delivery Date;
2. the Aircrafts not having suffered the Total Loss on or before the Delivery Date;
3. the representations given by UNI Airways Corporation in the Aircraft Sale Agreements being true and accurate on the Delivery Date; and
4. the Aircrafts being in Delivery Conditions as specified in the Aircraft Sale Agreements.

There are no provisions in the Aircraft Sale Agreements for the obligation of UNI Airways Corporation if it fails to fulfill the aforesaid conditions. The Aircraft Sale Agreements shall be governed by and construed in accordance with laws of the Republic of China.

After services

UNI Airways Corporation shall provide to ROC Advance with currently carried tools and spare parts of the Aircrafts without handling charge for a period of six months after the Delivery Date.

Insurance

ROC Advance shall name UNI Airways Corporation as additional insured for a period of three years after the Delivery Date. It is the industry practice to cover possible insurance claims for events happened in the past related to UNI Airways Corporation.

AIRCRAFT LEASE AGREEMENT

The principal terms of the aircraft lease agreement are as follows:

Date

4 April 2005

Parties

Lessor:

ROC Advance

Lessee:

Daily Air Corporation, Inc., a company established under the laws of the Republic of China

LETTER FROM THE BOARD

Particulars

Pursuant to an aircraft lease agreement, ROC Advance has agreed to lease the Aircrafts and provide consultancy services for the safety operation of the Aircrafts to Daily Air Corporation, Inc. for a term of three years commencing from 1 May 2005 to 30 April 2008. ROC Advance shall employ individuals with qualification of pilot inspection or experienced mechanics dedicated for the safety operation of the Aircrafts. The management of the Company has the experience in aircraft leasing and could manage the investment in the Aircrafts. Both parties to the aircraft lease agreement have agreed that the aircraft lease agreement is conditional on the completion of the Aircraft Sale Agreements.

Consideration:

The rental fee and the consultancy fee in respect of the aircraft lease agreement payable by Daily Air Corporation, Inc. amounts to USD26,000 (equivalent to approximately HK\$202,800) for each aircraft and USD10,000 (equivalent to approximately HK\$78,000) per month respectively and is to be settled on a monthly basis in cash at the end of each month. Such rental fee and consultancy fee are determined with reference to the rental of similar aircrafts from other companies not connected with the Company, its subsidiaries or connected persons of the Company (as defined in the Listing Rules) on terms no less favourable to the Company than terms available from independent third parties.

Pursuant to the aircraft lease agreement, in order to protect the interest of ROC Advance, Daily Air Corporation, Inc. shall buy the Aircrafts with a fixed price of USD450,000 each (equivalent to approximately HK\$3.51 million) plus the balance of a total of three years rental fee of each aircraft if Daily Air Corporation, Inc. decides not to continue the aircraft lease agreement during the term of the aircraft lease agreement. Daily Air Corporation, Inc. shall buy the Aircrafts with a fixed price of USD450,000 each (equivalent to approximately HK\$3.51 million) if Daily Air Corporation, Inc. decides not to extend the aircraft lease agreement after the expiration of the term of the aircraft lease agreement. The purchase of the Aircrafts by Daily Air Corporation, Inc. subject to the terms of the aircraft lease agreement shall constitute connected transaction under requirements of the Chapter 14A of the Listing Rules and the Company shall comply with relevant requirements under Chapter 14A the Listing Rules once the abovementioned transaction conducted.

Pursuant to the aircraft lease agreement, the Directors expect that the annual cap for the rental fee and consultancy fee payable by Daily Air Corporation, Inc. to the ROC Advance for the three years ending 31 December 2007 and the four months ending 30 April 2008 will be HK\$3.9 million, HK\$5.8 million, HK\$5.8 million and HK\$2.0 million respectively.

Relationship between the parties

Mr. Huang Chun-fa, a non-executive Director, is a substantial shareholder of Daily Air Corporation, Inc.. Accordingly, Daily Air Corporation, Inc. is a connected person of the Company under the Listing Rules and the transactions constitute continuing connected transactions for the Company.

LETTER FROM THE BOARD

REASONS FOR THE ACQUISITION

The Group is principally engaged in processing and manufacturing 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 mainly for the overseas markets through indirect export sales.

UNI Airways Corporation is principally engaged in operating international and domestic airlines in the Republic of China for passenger and cargo transportations.

In order to sustain the development of the Group, the Directors are giving full consideration to every investment opportunity which are beneficial to the Group, not limited to those investment opportunities related to the principal business of the Company, with an aim to generate the best return from investments. The Directors consider the Acquisition is the best investment opportunity currently available to the Company, having considered its current capital position. The Company has sufficient financial resources generated from its operation to finance the Acquisition.

In view of the potential stable revenue which the Group could be derived from purely leasing the Aircrafts to Daily Air Corporation, Inc. under the aircraft lease agreement, the Directors believe that the Acquisition will be able to generate a best return. Thus, the Directors consider that purchasing the Aircrafts is in the interests of the Shareholders as a whole.

The terms of the Aircraft Sale Agreements were arrived at after arm's length negotiation between ROC Advance and UNI Airways Corporation. The Directors consider that the terms of the Aircraft Sale Agreements are of normal commercial terms and are fair and reasonable and in the interests of the Shareholders as a whole.

FINANCIAL IMPACT OF THE ACQUISITION

As disclosed in the paragraph headed "Consideration" above, the Acquisition will be financed by the internal resources of the Company. Upon the completion of the Acquisition, there is no change in the consolidated net assets and total assets of the Group. The Acquisition will not pose any impact on the earning of the Group upon completion of the Acquisition, other than revenue from Daily Air Corporation, Inc. to be generated under the aircraft lease agreement.

GENERAL

Your attention is also drawn to the general information set out in the Appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Mayer Holdings Limited
LAI Yueh-hsing
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The directors jointly and severally accept responsibility for the accuracy of the information contained in this circular in relation to the Company and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

- (a) As at the Latest Practicable Date, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or as recorded in the register kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by the Directors of Listed Companies of the Listing Rules were as follows:

(I) *Taiwan Mayer*

Name of Director	Number of ordinary shares in Taiwan Mayer				Total	Approximate % of shareholding
	Personal	Family	Corporate	Other		
Lo Haw	171,311	923	8,829,200	–	9,001,434	6.55%
Chang Dar-terng	973,769	29,298	–	–	1,003,067	0.73%
Chiang Jen-chin	792	–	–	–	792	0.00%
Shen Heng-chiang	–	3,000	–	–	3,000	0.00%
Wu Kuo-lung	3,141,164	49,607	–	–	3,190,771	2.32%

(II) *Guangzhou Mayer*

Name of Director	Number of ordinary shares in Guangzhou Mayer				Total	Approximate % of shareholding
	Personal	Family	Corporate	Other		
Lo Haw	–	–	8,160,000	–	8,160,000	6.40%

Save as disclosed above and so far as the Company is aware, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (as defined in Part XV of the SFO) for which (a) notification shall be given to the Company or the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including those interests and short positions which the Directors and chief executives are supposed or deemed to be holding or owning pursuant to the provisions of the SFO); or (b) registration shall be made in the register in accordance with Section 352 of the SFO; or (c) notification shall be made to the Company and the Stock Exchange pursuant to the Model Mode for Securities Transactions by Directors of Listed Companies of the Listing Rules.

- (b) As at the Latest Practicable Date, so far as are known to the Directors, interests or short positions held by any individual or company, other than the Directors or chief executive of the Company, for which disclosure shall be made to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or any beneficial interests representing 5% or more of the issued share capital of the Company directly or indirectly which were recorded in the register kept by the Company under section 336 of the SFO, were as follows:

Name of Shareholder	Number of Shares held	Percentage of shareholding
Taiwan Mayer (<i>Note</i>)	300,000,000	75%
Mayer Corporation Development International Limited	300,000,000	75%

Note: Mayer Corporation Development International Limited is a wholly owned subsidiary of Taiwan Mayer. Taiwan Mayer is deemed to be interested in the 300,000,000 Shares held by Mayer Corporation Development International Limited under the SFO.

Saved as disclosed above, as far as the Directors are aware, as at the Latest Practicable Date, there was no other person who was required under the provisions of Divisions 2 and 3 of Part XV of the SFO to make disclosure to the Company for any interests or short positions in shares, relevant shares and debentures, or who owns any beneficial interests representing 5% or more of any class of shares or warrants or attached with a right to vote at any of the Shareholders' general meeting.

- (c) As at the Latest Practicable Date, so far as are known to the Directors, there was no other person who is directly or indirectly, interested in 10% or more of the equity interest carrying rights to vote in all circumstances at general meetings of any other member of the Group.

3. SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company commencing from the listing date of the Company on 21 June 2004 for an initial term of 1 year respectively and shall continue thereafter from year to year until terminated by either party with three month's notice in writing served on the other side. Under the service agreements, each of Mr. Lo Haw and Mr. Shen Heng-chiang is entitled to an annual fee of HK\$350,000 and each of the other four executive Directors is entitled to an annual fee of HK\$180,000.

Each of the non-executive Directors is appointed for an initial term of 1 year commencing from their respective dates of appointment and shall continue thereafter from year to year until terminated by either party with three month's notice in writing served on the other side. Each of the non-executive Directors is entitled to an annual fee of HK\$100,000. Each of the executive and non-executive Directors is entitled to a discretionary bonus as determined by the Board provided that the total amount of bonuses payable to all the executive and non-executive Directors for such year shall not exceed 5% of the audited consolidated profit after taxation and minority interests but before extraordinary items of the Group (if any) for the relevant year.

Each of the independent non-executive Directors is appointed for an initial term of 1 year commencing from their respective dates of appointment and shall continue thereafter from year to year until terminated by either party with three month's notice in writing served on the other side. The aggregate annual fees payable to the independent non-executive Directors is HK\$288,000 per year.

Save as set out above, as at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service contract with any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

4. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no other litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

5. MISCELLANEOUS

- (a) Mr. Lui Cho Tak is the company secretary of the Company. He is a practicing solicitor in Hong Kong, England and Wales and a partner of a law firm in Hong Kong. Lui graduated and received from the University of Glamorgan a Bachelor Degree in Laws in 1990 and graduated and received from the University of Hong Kong a Postgraduate Certificate in Laws in 1991 and a Master Degree in Laws in 1994.

Mr. Chan Lai Yin, Tommy is the qualified accountant and financial controller of the Group and a member of the senior management of the Company. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of American Institute of Certified Public Accountants. Mr. Chan has over 10 years of experience in the audit and accounting field. Prior to joining the Company, he held the posts of financial controller and company secretary of a listed company in Hong Kong.

- (b) The registered office of the Company is situated at P.O. Box 309GT, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies and its principal office in Hong Kong is situated at 501, 5/F, Aon China Building, 29 Queen's Road Central, Hong Kong. The address of the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) None of the Directors or their respective associates have personal interests in companies engaged in businesses, which compete or may compete with the Group.
- (d) The English text of this circular prevails over the Chinese text.