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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 TRANSACTIONS PROPOSED SUBSCRIPTION AND ACQUISITION OF A TOTAL OF APPROXIMATELY 51.83% INTEREST IN FULLCHAMP TECHNOLOGIES CO., LTD

On 20 October 2005, Sunbeam, a wholly owned subsidiary of the Company, has entered into

- (i) the Subscription Agreement with Fullchamp, pursuant to which Sunbeam has conditionally agreed to subscribe 12,500,000 new Fullchamp Shares for an aggregate consideration of NTD125,000,000 (equivalent to approximately HKD29,762,000); and
- (ii) the Acquisition Agreement with the Vendors, pursuant to which Sunbeam has conditionally agreed to acquire 4,060,000 Fullchamp Shares from the Vendors for an aggregate consideration of NTD42,630,000 (equivalent to HKD10,150,000).

Immediately upon completion of the Capital Reduction of Fullchamp, the Capital Increase of Fullchamp (including the Subscription) and the Acquisition, the Company will indirectly hold approximately 51.83% of the then issued shares in Fullchamp and Fullchamp will become a subsidiary of the Company.

As the relevant percentage ratios (as defined in the Listing Rules) of each of the Subscription Agreement and the Acquisition Agreement is larger than 5% but less than 25%, each of the Subscription and the Acquisition constitutes a discloseable transaction under Chapter 14 of the Listing Rules. The Company will issue and despatch to its shareholders a circular containing details of the Subscription and the Acquisition in compliance with Chapter 14 of the Listing Rules.

#### SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are as follows:

**Date:**

20 October 2005

**Parties**

**Issuer:** Fullchamp, 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, Fullchamp and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules), and are not connected persons of the Company.

**Subscriber:** Sunbeam, a wholly owned subsidiary of the Company.

## **Subject matter of the Subscription Agreement**

Sunbeam has conditionally agreed to subscribe 12,500,000 new Fullchamp Shares, representing 39.12% of the then issued shares in Fullchamp immediately upon completion of the Capital Reduction of Fullchamp, the Capital Increase of Fullchamp (including the Subscription) and the Acquisition.

As advised by the directors of Fullchamp, Fullchamp decided to implement the Capital Increase of Fullchamp in proportion to its existing shareholders' respective shareholding in Fullchamp in October 2005 and the purpose of the Capital Increase of Fullchamp is to provide additional working capital for (i) its marketing activities especially expanding its sales channels in the overseas market; and (ii) the continuous development of Fullchamp. Only one shareholder of Fullchamp has indicated its intention to take up its right to subscribe 1,000,000 Fullchamp Shares before the last time for the shareholders of Fullchamp of taking up their rights in the Capital Increase of Fullchamp. Thus Fullchamp offers the remaining 12,500,000 Fullchamp Shares to Sunbeam.

## **Subscription Price**

The total consideration for the Subscription is NTD125,000,000 (equivalent to approximately HKD29,762,000), which is equivalent to NTD10 (equivalent to approximately HKD2.38) per Fullchamp Share. The total consideration for the Subscription was determined as a matter of commercial decision after arm's length negotiations based on the par value of the Fullchamp Share of NTD10 (equivalent to approximately HKD2.38). Such consideration will be satisfied by Sunbeam in cash at the date of completion of the Subscription by the internal resources of the Group.

## **Conditions**

The Subscription Agreement is conditional upon full satisfaction of the following conditions:

- (a) completion of the Capital Reduction of Fullchamp;
- (b) Fullchamp having confirmed its existing shareholders giving up their rights to subscribe 12,500,000 Fullchamp Shares in the Capital Increase of Fullchamp; and
- (c) all necessary consents and waivers for the Subscription under the Subscription Agreement having been obtained from the relevant regulatory authorities and other relevant third parties.

As advised by the directors of Fullchamp, the purpose of the Capital Reduction of the Fullchamp is to eliminate the accumulated loss of Fullchamp, so that the reduced capital of Fullchamp upon completion of the Capital Reduction of Fullchamp will reflect its latest net asset value.

Condition (b) was satisfied as only one shareholder of Fullchamp has indicated its intention to take up its right to subscribe 1,000,000 new Fullchamp Shares before the last time for the shareholders of Fullchamp of taking up their rights in the Capital Increase of Fullchamp.

## **Completion**

Completion shall take place on the fifth business day (or such other date as Fullchamp and Sunbeam may agree in writing) immediately after all the conditions under the Subscription Agreement have been fulfilled. Pursuant to the Subscription Agreement, there is no long stop date for the Subscription.

## **ACQUISITION AGREEMENT**

The principal terms of the Acquisition Agreement are as follows:

### **Date**

20 October 2005

## **Parties**

Vendors: Global Fong Co., Ltd. (環華豐股份有限公司), Chiang Kuo Hua, Chiang Ching Cheng, Cheng Kuo Metal Co., Ltd. (程國金屬股份有限公司), Xin Tai Trust Trading Company (鑫疆貿易股份有限公司), Chiang Kuo Hsing and Pan Chiu Chiang. Chiang Kuo Hua, Chiang Ching Cheng, Chiang Kuo Hsing and Pan Chiu Chiang are the directors of Global Fong Co., Ltd. (環華豐股份有限公司), Cheng Kuo Metal Co., Ltd. (程國金屬股份有限公司), Xin Tai Trust Trading Company (鑫疆貿易股份有限公司), all are trading companies. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendors and their ultimate beneficial owner(s) (if applicable) are third parties independent of the Company and their connected persons (as defined in the Listing Rules), and are not connected persons of the Company.

Purchaser: Sunbeam, a wholly owned subsidiary of the Company.

## **Subject Matter of the Acquisition Agreement**

Sunbeam has conditionally agreed to acquire and the Vendors have conditionally agreed to sell 4,060,000 Fullchamp Shares, representing approximately 22.01% of the issued shares in Fullchamp upon completion of the Capital Reduction of the Fullchamp and approximately 12.71% of the then issued shares in Fullchamp immediately upon completion of the Capital Reduction of Fullchamp, the Capital Increase of Fullchamp (including the Subscription) and the Acquisition.

## **Consideration**

The total consideration for the Acquisition is NTD42,630,000 (equivalent to HKD10,150,000), which is equivalent to NTD10.5 (equivalent to approximately HKD2.5) per Fullchamp Share. The total consideration for the Acquisition was determined as a matter of commercial decision after arm's length negotiations with reference to the par value of Fullchamp Share of NTD10 (equivalent to approximately HKD2.38). In order to obtain control in Fullchamp after the Acquisition together with the Subscription, the Directors consider that the 5% premium of the consideration for the Acquisition per Fullchamp Share to the par value of Fullchamp Share is acceptable. Such consideration will be satisfied by Sunbeam in cash at the date of completion of the Acquisition by the internal resources of the Group.

## **Conditions**

The Acquisition Agreement is conditional upon all necessary consents and waivers for the Acquisition having been obtained from the relevant regulatory authorities and other relevant third parties and are continuing in force.

## **Completion**

Completion shall take place on the tenth business day (or such other date as Fullchamp and Sunbeam may agree in writing) immediately after the condition under the Acquisition Agreement has been fulfilled. Pursuant to the Acquisition Agreement, there is no long stop date for the Acquisition.

## **INFORMATION ON FULLCHAMP**

Fullchamp was incorporated in July 2002 as a private company. Fullchamp is principally engaged in the design, development and manufacture of aluminum forged and forged-spun wheels for automobiles such as passenger, motorbike, sports utility vehicle and truck. The principal markets for the products of Fullchamp are mainly China, United States of America, Japan, the Republic of China, Europe and Australia. As at the date of this announcement, Fullchamp had 116 shareholders.

The net asset value of Fullchamp as at 31 July 2005 is NTD180,252,000 (equivalent to approximately HKD42,917,000). The audited turnover of Fullchamp for the two years ended 31 December 2004 was approximately NTD12,784,000 (equivalent to approximately HKD3,044,000) and NTD253,294,000 (equivalent to approximately HKD60,308,000) respectively. The increase in turnover of Fullchamp for the year ended 31 December 2004 from that of the previous year is mainly due to (i) Fullchamp started its operation in full in October 2003; and (ii) the increase in the demand for the products of Fullchamp as a result of the high quality of its product and its increased efforts in the marketing of its products during the year. The audited net loss of Fullchamp for the two years ended 31 December 2004 was approximately NTD51,054,000 (equivalent to approximately HKD12,156,000) and NTD77,593,000 (equivalent to approximately HKD18,475,000) respectively. The audited net loss of Fullchamp for the two years ended 31 December 2004 is mainly due to the turnover of Fullchamp was not large enough to cover its cost and expense since Fullchamp is still in the development stage of its business and in the process of securing its sales orders.

## SHAREHOLDING STRUCTURE OF FULLCHAMP

The following is the shareholding structure of Fullchamp (i) as at the date of this announcement; (ii) immediately after completion of the Capital Reduction of Fullchamp; (iii) immediately after completion of the Capital Reduction of Fullchamp and the Capital Increase of Fullchamp the Subscription, but before completion of the Acquisition; and (iv) immediately after completion of the Capital Reduction of Fullchamp, the Capital Increase of Fullchamp (including the Subscription) and the Acquisition:

	Existing shareholding		Immediately after completion of the Capital Reduction of Fullchamp		Immediately after completion of the Capital Reduction of Fullchamp and the Capital Increase of Fullchamp (including the Subscription) but before completion of the Acquisition		Immediately after completion of the Capital Reduction of Fullchamp, the Capital Increase of Fullchamp (including the Subscription) and the Acquisition	
	Number of Fullchamp Shares	%	Number of Fullchamp Shares	%	Number of Fullchamp Shares	%	Number of Fullchamp Shares	%
Sunbeam	—	—	—	—	12,500,000	39.12	16,560,000	51.83
Vendors	5,186,344	22.01	4,060,000	22.01	4,060,000	12.71	—	—
Other Shareholders	18,377,236	77.99	14,388,500	77.99	15,388,500	48.17	15,388,500	48.17
Total	<u>23,563,580</u>	<u>100.00</u>	<u>18,448,500</u>	<u>100.00</u>	<u>31,948,500</u>	<u>100.00</u>	<u>31,948,500</u>	<u>100.00</u>

Immediately upon completion of the Capital Reduction of Fullchamp, the Capital Increase of Fullchamp (including the Subscription) and the Acquisition, the Company will indirectly hold approximately 51.83% of the then issued shares in Fullchamp and Fullchamp will become a subsidiary of the Company. Sunbeam intends that upon completion of the Subscription and the Acquisition, there will be a change in the composition of the board of directors of Fullchamp under which all existing directors of Fullchamp will retire and new directors of Fullchamp will be appointed.

## REASONS FOR THE ACQUISITION AND THE SUBSCRIPTION

The principal activity of the Company is investment holding. The Group is principally engaged in processing and manufacturing 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.

The aluminum forged spun wheel of Fullchamp has passed (i) the technology certification test conducted by the Smith Laboratory, which is a testing lab in the United States of America providing standard assessment on truck alloy wheels for major vehicle manufacturers; (ii) QS-9000, which is an essential quality management system for suppliers of production parts, materials and services to the automotive industry; and (iii) ISO/TS 16949, which is an automotive quality system technical specification based on ISO 9001:2000, AVSQ (Italian), EAQF (French), QS-9000 (United States of America) and VDA6.1 (German) automotive standards. As mentioned in the paragraph headed “Information on Fullchamp” above, Fullchamp incurred losses for the two years ended 31 December 2004. It is mainly due to the turnover of Fullchamp was not large enough to cover its cost and expense since Fullchamp is still in the development stage of its business and in the process of securing its sales orders. Given the turnover for the year ended 31 December 2004 increased by approximately 1,900% as compared with that of the previous year, the Directors are confident in the future prospect of Fullchamp and believe that Fullchamp can boost its sales with (i) its high quality aluminum forged-spun wheel product as mentioned above; and (ii) its increasing marketing effort by using the proceeds from the Capital Increase of Fullchamp.

There is also an increasing market demand for aluminum forged-spun wheels in the motor vehicles making industry. Aluminum is best known for its light weight and flexibility to be restyled. The more demanding motor vehicles safety compliance rules in the United States of America make the manufacturers switch to components which are lighter in weight for coping with the additional safety features and equipment. According to a market forecast on road wheels published on 31 May 2005 by Research and Markets, a source for international market research and market data, more than half of the new motor vehicles are equipped with aluminum wheels in North America while one-third in Europe.

As one of the products of the Group is targeted to the spare parts of motor vehicles, the Directors believe that the products of Fullchamp, which are also targeted to the spare parts of motor vehicles, are in line with the Company’s business strategy and also believe that they have relevant expertise in the industry engaged by Fullchamp, i.e. spare parts of motor vehicles. Moreover the Directors believe that their experience in running a business, especially experience in corporate management, manufacturing and sales, can help Fullchamp in developing its business.

The terms of the Subscription Agreement and the Acquisition Agreement were arrived at after arm’s length negotiation among the Company, the Vendors and Fullchamp. The Directors consider that the terms of the Subscription Agreement and the Acquisition Agreement are of normal commercial terms and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

## **GENERAL**

As the relevant percentage ratios (as defined in the Listing Rules) of each of the Subscription Agreement and the Acquisition Agreement is larger than 5% but less than 25%, each of the Subscription and the Acquisition constitutes a discloseable transaction under Chapter 14 of the Listing Rules. The Company will issue and despatch to its shareholders a circular containing details of the Subscription and the Acquisition in compliance with Chapter 14 of the Listing Rules.

## **TERMS USED IN THIS ANNOUNCEMENT**

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

“Acquisition”	the acquisition of 4,060,000 Fullchamp Shares by Sunbeam from the Vendors pursuant to the Acquisition Agreement
“Acquisition Agreement”	an agreement dated 20 October 2005 entered into between the Company and the Vendors in respect of the Acquisition
“business day”	a day (other than a Saturday or Sunday) on which banks are open for business in Taipei, London and New York



“Capital Increase of Fullchamp”	an increase in (i) registered capital of Fullchamp from NTD184,485,000 (equivalent to HKD43,925,000) after the completion of the Capital Reduction of Fullchamp to NTD319,485,000 (equivalent to approximately HKD76,068,000) by an additional registered capital in the amount of NTD135,000,000 (equivalent to approximately HKD32,143,000); and (ii) the number of Fullchamp Shares from 18,448,500 after the completion of the Capital Reduction of Fullchamp to 31,948,500 by an additional 13,500,000 Fullchamp Shares
“Capital Reduction of Fullchamp”	a reduction in (i) registered capital of Fullchamp from NTD235,635,800 as at the date of this announcement (equivalent to approximately HKD56,104,000) to NTD184,485,000 (equivalent to approximately HKD43,925,000) and (ii) the number of the Fullchamp Shares from 23,563,580 as at the date of this announcement to 18,448,500. The par value of the Fullchamp Shares will remain unchanged after the completion of the Capital Reduction of Fullchamp
“Company”	Mayer Holdings Limited and the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“Fullchamp”	Fullchamp Technologies Co., Ltd (富辰科技股份有限公司), a company established under the laws of the Republic of China
“Fullchamp Share(s)”	share(s) of NTD10 (equivalent to approximately HKD2.38) in the capital of Fullchamp
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of 12,500,000 new Fullchamp Shares by Sunbeam pursuant to the Subscription Agreement
“Subscription Agreement”	an agreement dated 20 October 2005 entered into between the Company and Fullchamp in respect of the Subscription
“Subscription Shares”	12,500,000 new Fullchamp Shares to be issued by Fullchamp pursuant to the Subscription Agreement
“Sunbeam”	Sunbeam Group Limited, a company incorporated in British Virgin Islands and a wholly owned subsidiary of the Company
“Vendors”	Global Fong Co., Ltd. (環華豐股份有限公司), Chiang Kuo Hua, Chiang Ching Cheng, Cheng Kuo Metal Co., Ltd. (程國金屬股份有限公司), Xin Tai Trust Trading Company (鑫疆貿易股份有限公司), Chiang Kuo Hsing and Pan Chiu Chiang
“HKD”	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

“%”

per cent.

By order of the board of the Directors  
**Mayer Holdings Limited**  
**LAI Yueh-hsing**  
CHAIRMAN

Hong Kong, 25 October 2005

*The exchange rate used for reference purpose in this announcement is HK\$1 to NTD4.20.*

*In this announcement, the English names of the entities established under the laws of Republic of China are translations of their Chinese names and included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.*

As at the date of this announcement, the executive directors of the Company are Lai Yueh-hsing, Lo Haw, Shen Heng-chiang, Wu Kuo-lung, Cheng Dar-terng, Chiang Jen-chin, the non-executive directors of the Company 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*