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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)

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Mayer Holdings Limited to be held at Room 501, 5th Floor, Aon China Building, 29 Queen's Road Central, Hong Kong on Friday, 29 April 2005 at 2:30 p.m. is set out on pages 12 to 15 of this circular.

A proxy form for use at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend the meeting in person, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

* *For identification purposes only*

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DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Room 501, 5th Floor, Aon China Building, 29 Queen’s Road Central, Hong Kong on Friday, 29 April 2005 at 2:30 p.m.
“Articles of Association”	articles of association of the Company
“Board”	the board of Directors of the Company
“Capitalisation Issue”	the issue of Shares made upon the capitalisation of certain sums standing to the credit of the share premium account of the Company as described in the prospectus of the Company dated 10 June 2004
“Company”	Mayer Holdings Limited
“Directors”	directors of the Company
“General Mandate”	the general mandate to issue Shares of the Company to be granted to the Directors at the Annual General Meeting
“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
“HK\$” and “HK cent(s)”	Hong Kong dollars and cent(s) respectively, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	23 March 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Macau”	the Macau Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, which, for the purpose of this circular, excludes Hong Kong, Macau and Taiwan
“Repurchases Code”	Hong Kong Code on Share Repurchases
“Repurchase Mandate”	the general mandate to repurchase Shares of the Company to be granted to the Directors at the Annual General Meeting
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Share Offer”	the conditional placing of 90,000,000 new Shares and the offer for subscription to the public in Hong Kong of 10,000,000 new Shares as described in the prospectus of the Company dated 10 June 2004
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taiwan Mayer”	Mayer Steel Pipe Corporation, the ultimate controlling shareholder of the Company, a company incorporated in Taiwan, whose shares are listed on the Taiwan Stock Exchange Corporation
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD



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 (*Chairman*)
Mr. Lo Haw
Mr. Shen Heng-chiang
Mr. Wu Kuo-lung
Mr. Cheng Dar-terng
Mr. Chiang Jen-chin

Non-executive Directors:

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

Independent Non-executive Directors:

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

Registered Office:

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

*Head Office and Principal Place
of Business in Hong Kong*

Room 501, 5th Floor
Aon China Building
29 Queen's Road Central
Hong Kong

1 April 2005

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the relevant information regarding the granting of the General Mandate and the Repurchase Mandate and the re-election of Directors, and to give you notice of AGM at which ordinary resolutions will be proposed to consider, and if thought fit, approve at the AGM, among other matters, the granting of the General Mandate and the Repurchase Mandate and the re-election of Directors.

* For identification purposes only

LETTER FROM THE BOARD

GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES

On 24 May 2004, ordinary written resolutions of the sole Shareholder of the Company were passed to grant to the Directors general unconditional mandates (i) to repurchase Shares of the Company on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, which does not exceed 10 per cent. of the aggregate nominal value of the share capital of the Company in issue on the date of passing the relevant resolution and which was issued pursuant to the Share Offer and the Capitalisation Issue; and (ii) to allot, issue and otherwise deal with Shares of the Company up to the limit of 20 per cent. of the aggregate nominal value of the share capital of the Company in issue on the date of passing such resolution and which was issued pursuant to the Share Offer and the Capitalisation Issue. No Shares have been repurchased pursuant to the repurchase mandate granted.

These general mandates will lapse at the conclusion of the forthcoming Annual General Meeting of the Company which will be held at Room 501, 5th Floor, Aon China Building, 29 Queen's Road Central, Hong Kong on Friday, 29 April 2005 at 2:30 p.m.. At the AGM, ordinary resolutions will be proposed:

- (i) to grant the Repurchase Mandate to the Directors to enable them to repurchase Shares of the Company on the Stock Exchange or on any other exchange on which the Shares have been or may be listed and recognised for this purpose by the SFC and the Stock Exchange under the Repurchases Code, which does not exceed 10 per cent. of the aggregate nominal value of the issued share capital of the Company on the date of passing such resolution to grant the Repurchase Mandate;
- (ii) to grant the General Mandate to the Directors to enable them to allot, issue and otherwise deal with Shares of the Company up to the limit of 20 per cent. of the aggregate nominal value of the issued share capital of the Company on the date of passing such resolution to grant the General Mandate; and
- (iii) to increase the number of Shares to be allotted, issued and deal with under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$100,000,000 divided into 1,000,000,000 Shares, of which 400,000,000 Shares were in issue.

On the basis of 400,000,000 existing Shares in issue as at the Latest Practicable Date and assuming no new Shares will be issued and no Shares will be repurchased up to the date of passing such resolution to grant the Repurchase Mandate, the Directors would be authorised to repurchase up to 40,000,000 Shares which represent 10 per cent. of the 400,000,000 existing Shares in issue as at the date of passing such resolution to grant the Repurchase Mandate.

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The Repurchase Mandate allows the Company to make repurchase only during the period from the date of the passing of the relevant resolution until the earliest of the conclusion of next annual general meeting of the Company, the date by which the next annual general meeting of the Company is required by the Articles of Association, or any applicable law of the Cayman Islands to be held and the date upon which the Repurchase Mandate is revoked or varied by an ordinary resolution of shareholders of the Company in general meeting.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to renew the grant to the Directors of the Repurchase Mandate. Such explanatory statement is set out in the Appendix I to this circular.

RE-ELECTION OF DIRECTOR

In accordance with Article 112 of the Articles of Association of the Company, each of Mr. Cheng Dar-terng, Mr. Chiang Jen-chin and Mr. Hsiao Ming-chih would retire by rotation at the forthcoming Annual General Meeting and offer himself for re-election. Details of Mr. Cheng Dar-terng, Mr. Chiang Jen-chin and Mr. Hsiao Ming-chih are set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 12 to 15 of this circular, ordinary resolutions will be proposed to approve the General Mandate and the Repurchase Mandate.

A proxy form for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM in person, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Pursuant to Article 76 of the Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is required under the Listing Rules or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least five members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and entitled to vote; or

LETTER FROM THE BOARD

- (c) any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (d) any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is so required or demanded and, in the latter case, not withdrawn, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

RECOMMENDATION

The Directors consider that the granting of the Repurchase Mandate and the General Mandate and the re-election of the Director to be proposed at the AGM are in the best interest of the Company and the Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of the relevant resolutions to be proposed at the AGM. The Directors wish to state that they have no immediate plans to repurchase any existing Shares or to issue any new Shares pursuant to the relevant mandate.

Yours faithfully,
For and on behalf of
MAYER HOLDINGS LIMITED
LAI Yueh-hsing
Chairman

RESPONSIBILITY STATEMENT

This document, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief:

1. the information contained in this document is accurate and complete in all material respects and not misleading;
2. there are no other matters the omission of which would make any statement in this document misleading; and
3. all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

The following is the explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed general mandate for repurchases of Shares to be passed by the Shareholders by an ordinary resolution at the Annual General Meeting.

(1) Reasons for Repurchases

The Directors believe that it is in the best interest of the Company and its Shareholders for the Directors to have a general authority from Shareholders to enable the Company to repurchase Shares in the market. Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share.

(2) Funding of Repurchases

Repurchases pursuant to the Repurchase Mandate would be financed entirely from the Company's available cash flow or working capital facilities. Any repurchases will only be funded out of funds of the Company legally available for the purposes in accordance with its memorandum of association and Articles of Association and the laws of the Cayman Islands.

The Company may not repurchase its own Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(3) Impact of Repurchases

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its latest published audited accounts for the year ended 31 December 2004) in the event that the proposed repurchases were to be

carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

(4) Exercise of the Repurchase Mandate

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$100,000,000 divided into 1,000,000,000 Shares, of which 400,000,000 Shares were in issue.

On the basis of 400,000,000 existing Shares in issue as at the Latest Practicable Date and assuming no new Shares will be issued and no Shares will be repurchased up to the date of passing such resolution to grant the Repurchase Mandate, the Directors would be authorised to repurchase up to 40,000,000 Shares which represent 10 per cent. of the 400,000,000 existing Shares in issue as at the date of passing such resolution to grant the Repurchase Mandate.

(5) Disclosure of Interest

Rule 10.6(2) of the Listing Rules prohibit a company from knowingly repurchasing its shares on the Stock Exchange from a connected person (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling his/her/its shares to the company on the Stock Exchange.

None of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective associates, have any present intention, if the Repurchase Mandate is approved by the Shareholders of the Company, to sell any Shares to the Company or its subsidiaries.

As at the Latest Practicable Date, no connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Company is authorised to make repurchases of the Shares.

(6) Directors' Undertaking

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make purchases pursuant to the proposed resolution, if granted, in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the regulations set out in the memorandum and Articles of Association of the Company.

(7) Share Repurchase made by the Company

No repurchases of Shares have been made by the Company during the six months (whether on the Stock Exchange or otherwise) preceding the Latest Practicable Date.

(8) Takeovers Code Consequences

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mayer Steel Pipe Corporation ("Taiwan Mayer") held indirectly 300,000,000 Shares through Mayer Corporation Development International Limited, representing 75% of the issued share capital of the Company. In the event that the Directors exercised in full the power to repurchase Shares of the Company in accordance with the terms of the Repurchase Mandate, Taiwan Mayer's proportionate interest in the voting rights of the Company would be increased to approximately 83.33% and Taiwan Mayer will not be obliged to make a mandatory offer under Rule 26 of the Takeovers Code in this respect. The Directors have no intention of exercising the power to repurchase Shares pursuant to the Repurchase Mandate to such extent as would result in the level of shareholdings in the Company held by public shareholders falling below 25%. The Company will comply with the public float requirement under the Listing Rules.

Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchase pursuant to the Repurchase Mandate.

(9) Share Prices

The highest and lowest prices at which the Shares were traded on the Stock Exchange during the period from 21 June 2004 (being the date on which dealings in the Shares on the Stock Exchange first commenced) up to 30 June 2004, each of the eight months from 1 July 2004 to 28 February 2005 and the period from 1 March 2005 up to the Latest Practicable Date were as follows:

	Highest (HK\$)	Lowest (HK\$)
2004		
June (from 21 June 2004)	0.56	0.35
July	0.58	0.50
August	0.61	0.56
September	0.78	0.61
October	0.76	0.63
November	0.64	0.60
December	0.63	0.60
2005		
January	0.62	0.57
February	0.58	0.53
March (up to the Latest Practicable Date)	0.58	0.50

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

The following are the particulars of the director proposed to be re-elected at the AGM:

Mr. CHENG Dar-terng (鄭達騰), aged 53, has been an executive Director since 26 November 2003. Mr. Cheng obtained a master degree in business management from University of Dallas in the United States. He was appointed as a director of Guangzhou Mayer on 23 November, 1995.

Mr. Cheng is currently a director of Taiwan Mayer. Taiwan Mayer is the ultimate controlling shareholder of the Company and is a company incorporated in Taiwan, whose shares are listed on the Taiwan Stock Exchange Corporation. Save as disclosed above, Mr. Cheng did not hold any directorship in other listed public companies in the last three years.

Mr. Cheng has entered into a service agreement with the Company commencing from 21 June 2004 for an initial term of 1 year 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 agreement, Mr. Cheng is entitled to an annual fee of HK\$180,000 and 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. The director's fee of Mr. Cheng is determined by the Board with reference to market rates. Save as disclosed above, Mr. Cheng does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, he does not have any interests in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. CHIANG Jen-chin (蔣仁欽), aged 39, is an executive Director responsible for financial activities of the Group. He has over 13 years of experience in the steel pipe and sheet industry. Mr. Chiang is currently the executive assistant to the general manager of Taiwan Mayer. Mr. Chiang was appointed as an executive Director of the Company on 26 November, 2003.

Mr. Chiang has entered into a service agreement with the Company commencing from 21 June 2004 for an initial term of 1 year 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 agreement, Mr. Chiang is entitled to an annual fee of HK\$180,000 and 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. The director's fee of Mr. Chiang is determined by the Board with reference to market rates. Save as disclosed above, Mr. Chiang does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, he does not have any interests in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Mr. HSIAO Ming-chih (蕭敏志), aged 45, is a non-executive Director. Mr. Hsiao holds a bachelor degree in commerce from the accounting faculty of Tung Hai University (東海大學). He was appointed as a non-executive Director of the Company on 9 October, 2003. Mr. Hsiao is currently the general manager of Taiwan Mayer and a director of Tze Shin International Co., Ltd. (志信國際股份有限公司). Tze Shin International Co., Ltd. is a company incorporated in Taiwan, whose shares are listed on the Taiwan Stock Exchange Corporation. Save as disclosed above, Mr. Hsiao did not hold any directorship in other listed public companies in the last three years.

Mr. Hsiao is appointed for an initial term of 1 year commencing from his date 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. He is entitled to an annual fee of HK\$100,000 and 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. The director's fee of Mr. Hsiao is determined by the Board with reference to market rates. Save as disclosed above, Mr. Hsiao does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, he does not have any interests in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

NOTICE OF ANNUAL GENERAL MEETING



美亞控股有限公司*

MAYER HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1116)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “Annual General Meeting”) of Mayer Holdings Limited (the “Company”) will be held on Friday, 29 April 2005 at 2:30 p.m. at Room 501, 5th Floor, Aon China Building, 29 Queen’s Road Central, Hong Kong for the following purposes:

1. To receive and consider the audited financial statements of the Company for the year ended 31 December 2004 together with the reports of the directors of the Company (the “Directors”) and the auditors of the Company thereon.
2. To approve a final dividend for the year ended 31 December 2004.
3. To re-elect the retiring directors, Mr. Cheng Dar-terng and Mr. Chiang Jen-chin as executive director of the Company and Mr. Hsiao Ming-chih as non-executive director of the Company, and to authorise the board of Directors to fix their remuneration.
4. To re-appoint CCIF CPA Limited as the auditors of the Company and to authorise the Directors to fix their remuneration.
5. To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:
 - A. **“THAT:**
 - (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) any

NOTICE OF ANNUAL GENERAL MEETING

issue of shares of the Company upon the exercise of existing warrants to subscribe for shares of the Company or the exercise of options granted under any share option scheme adopted by the Company; or (iii) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, or any applicable law of the Cayman Islands to be held; and
- (iii) the date on which the authority given to the Directors by this resolution is revoked or varied by an ordinary resolution by shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares in the Company (“Shares”), or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

B. **“THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase its shares on the Stock Exchange or any other stock exchange on which the shares of the Company have been or may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases for such purposes,

NOTICE OF ANNUAL GENERAL MEETING

and otherwise in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time or that of any other stock exchange, be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors to procure the Company to repurchase its shares at such price as the Directors may at their discretion determine in accordance with all applicable laws and regulations;
 - (c) the shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
 - (d) for the purpose of this resolution, “Relevant Period” shall have the same meanings as ascribed to it under paragraph (d) of resolution numbered 5A of the notice convening this Annual General Meeting.”
- C. “**THAT** conditional upon the passing the resolutions numbered 5A and 5B as set out in the notice convening the Annual General Meeting, the aggregate nominal value of the share capital of the Company which are repurchased by the Company pursuant to and in accordance with resolution numbered 5B shall be added to the aggregate nominal value of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with resolution numbered 5A.”

By order of the Board
LAI Yueh-hsing
Chairman

Hong Kong, 1 April 2005

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and, in the event of a poll, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for the holding of the Annual General Meeting or any adjournment thereof.

NOTICE OF ANNUAL GENERAL MEETING

3. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the Annual General Meeting and in such event, the form of proxy shall be deemed to be revoked.
4. In relation to the proposed resolutions numbered 5(A) and 5(C) above, approval is being sought from the members for the grant to the Directors of a general mandate to authorise the allotment and issue of shares of the Company under the Rules Governing the Listing of Securities on the Stock Exchange. The Directors have no immediate plans to issue any new shares of the Company under such general mandate (if granted).
5. In relation to the proposed resolution numbered 5(B) above, the Directors wish to state that repurchases of shares of the Company will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.
6. The register of members of the Company will be closed from Thursday, 28 April 2005 to Friday, 29 April 2005, both days inclusive, during which period no transfer of shares of the Company can be registered. All transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 27 April 2005.

As at the date of this notice, 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 and Huang Chun-fa and the independent non-executive directors are Lin Sheng-bin, Huang Jui-hsiang and Alvin Chiu.