美亞控股有限公司*

MAYER HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1116)

INTERIM RESULT 2006

The board of directors of Mayer Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2006 (the "Period").

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2006

		Six months ended 30 June	
		2006	2005
		(Unaudited)	(Unaudited)
	Note	***RMB'000***	*RMB'000*
TURNOVER	*3*	**467,373**	546,105
COST OF SALES		**(450,184)**	(507,791)
GROSS PROFIT		**17,189**	38,314
Other revenue	*4*	**3,562**	777
Other income	*5*	**4,000**	2,622
Distribution costs		**(6,960)**	(4,829)
Administrative expenses		**(16,931)**	(15,632)
Other operating expenses		**(2,905)**	(565)
(Loss)/Profit from operations	*6*	**(2,045)**	20,687
Finance costs	*7*	**(12,482)**	(5,076)
(Loss)/Profit before taxation		**(14,527)**	15,611
Taxation	*8*	**(100)**	(1,903)
(Loss)/Profit for the Period		**(14,627)**	13,708
Attributable to:			
Equity holders of the Company		**(10,025)**	9,970
Minority interests		**(4,602)**	3,738
		(14,627)	13,708
INTERIM DIVIDEND	*9*	**–**	–
(Loss)/Earnings per share for (loss)/profit attributable to the equity holders of the Company during the Period			
– Basic	*10*	**(2.5) cents**	2.5 cents
– Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

At 30 June 2006

	Note	**30 June 2006 (Unaudited) *RMB'000***	31 December 2005 (Audited) *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment	*11*	**202,642**	195,160
Leasehold land and land use rights for own use under operating lease		**8,749**	8,860
Available-for-sale financial assets		**720**	720
Intangible assets		**12,708**	12,708
Deferred tax assets		**27**	27
		224,846	217,475
Current assets			
Inventories		**177,770**	212,867
Trade receivables	*12*	**276,557**	299,529
Prepayments, deposits and other receivables		**21,165**	16,340
Amount due from a related company		**2,827**	2,733
Taxation recoverable		**1,613**	1,596
Time deposits		**77,869**	95,747
Cash and cash equivalents		**27,253**	27,136
		585,054	655,948
LIABILITIES			
Current liabilities			
Trade payables	*13*	**125,801**	135,171
Other payables and accruals		**45,755**	29,648
Borrowings		**330,981**	379,025
		502,537	543,844
Net current assets		**82,517**	112,104
Total assets less current liabilities		**307,363**	329,579
Non-current liabilities			
Borrowings		**41,370**	48,486
NET ASSETS		**265,993**	281,093
EQUITY			
CAPITAL AND RESERVES			
Issued capital		**42,480**	42,480
Reserves		**158,246**	168,744
Proposed final dividend		**4,000**	4,000
Attributable to equity holders of the Company		**204,726**	215,224
Minority interests		**61,267**	65,869
TOTAL EQUITY		**265,993**	281,093

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2006

1. BASIS OF PREPARATION

The unaudited condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules on the Stock Exchange and with Hong Kong Accounting Standard (the "HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. CHANGES IN ACCOUNTING POLICIES

In the current interim period, the Group has adopted, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations. This includes the following new, revised and renamed standards:

HKAS 19 (Amendment)	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 21 (Amendment)	The Effect of Changes in Foreign Exchange Rate – Net Investment in a Foreign Operation
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 and HKFRS 4 (Amendment)	Financial Guarantee Contracts
HKFRS 6	Exploration for and Evaluation of Mineral Resources
HK (IFRIC)-Int 4	Determining whether an Arrangement contains a Lease
HK (IFRIC)-Int 5	Rights to interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
HK (IFRIC)-Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment

(a) New standards or interpretations that have been issued but are not yet effective

At the date of authorisation of the financial statements, the Group has not early adopted the following new standards and interpretations which have been issued but not yet effective. The Directors anticipate that the adoption of these standards or interpretations or amendments will have no material impact on the financial statements of the Company and the Group and will not result in substantial changes to the Group's accounting policies.

HKAS 1 (Amendment)	Presentation of Financial Statements: Capital Disclosures[1]
HKFRS 1 (Amendment)	First-time Adoption of Hong Kong Financial Reporting Standards[2]
HKFRS 7	Financial Instruments: Disclosures[1]
HK (IFRIC)-Int 7	Applying the Restatement Approach Under HKAS 29 Financial Reporting in Hyperinflationary Economies[3]

[1] Effective for annual periods beginning on or after 1 January 2007

[2] Effective for annual periods beginning on or after 1 January 2006

[3] Effective for annual periods beginning on or after 1 March 2006

3. TURNOVER AND SEGMENT INFORMATION

Turnover represents the net amounts received and receivable for sale of goods by the Group to outside customers.

In accordance with the Group's internal financial reporting, the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format. Segment information is presented by way of two segment formats: (a) on a primary segment reporting basis, by business segment; and (b) on a secondary segment reporting basis, by geographical segment.

(a) Business segments

The Group comprises the following main business segments:

(i) Steel – the manufacture and trade of steel pipes, steel sheets and other products made of steel.

(ii) Aluminium – the design, develop, manufacture and trade of aluminium forged and forged-spun wheels and other spare parts for automobiles.

	Steel Six months ended 30 June		Aluminium Six months ended 30 June		Consolidated Six months ended 30 June	
	2006 (Unaudited) *RMB'000*	2005 (Unaudited) *RMB'000*	**2006 (Unaudited) *RMB'000***	2005 (Unaudited) *RMB'000*	**2006 (Unaudited) *RMB'000***	2005 (Unaudited) *RMB'000*
Revenue						
– External sales	**417,498**	546,105	**49,875**	–	**467,373**	546,105
Segment results	**3,177**	23,605	**(1,982)**	–	**1,195**	23,605
Unallocated operating income and expenses					**(3,240)**	(2,918)
(Loss)/Profit from operations					**(2,045)**	20,687
Finance costs					**(12,482)**	(5,076)
Taxation					**(100)**	(1,903)
(Loss)/Profit for the period					**(14,627)**	13,708

(b) Geographical segments

The Group's revenue and segment results, analysed by geographical markets are as follows:

	Revenue Six months ended 30 June		Segment Results Six months ended 30 June	
	2006 (Unaudited) *RMB'000*	2005 (Unaudited) *RMB'000*	**2006 (Unaudited)** *RMB'000*	2005 (Unaudited) *RMB'000*
Mainland China	**425,478**	546,105	**2,839**	23,605
United States	**38,914**	–	**(1,506)**	–
Others	**2,981**	–	**(138)**	–
	467,373	546,105	**1,195**	23,605

4. OTHER REVENUE

An analysis of the Group's other revenue is as follows:

	Six months ended 30 June	
	2006 (Unaudited) *RMB'000*	2005 (Unaudited) *RMB'000*
Other revenue		
Interest income	**899**	446
Rental income	**2,518**	248
Consultancy fee	**145**	83
	3,562	777

5. OTHER INCOME

	Six months ended 30 June	
	2006	2005
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Scrap sales	**2,839**	2,534
Exchange gains, net	**234**	51
Fair value gain on foreign currency contracts	**124**	–
Sundry income	**803**	37
	4,000	2,622

6. (LOSS)/PROFIT FROM OPERATIONS

(Loss)/Profit from operations has been arrived at after charging:

	Six months ended 30 June	
	2006	2005
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Cost of inventories recognised as expenses	**450,152**	506,116
Depreciation	**16,308**	4,737
Amortisation of operating lease prepayment	**111**	111
Loss on disposal of property, plant and equipment, net	**6**	–
Operating leases in respect of		
– rented premises	**1,074**	60
– motor vehicles	**423**	67
Impairment loss on trade receivables	**50**	–
Contribution to defined contribution retirement schemes	**786**	956
Staff costs (including directors' remuneration)	**18,660**	3,380

7. FINANCE COSTS

	Six months ended 30 June	
	2006	2005
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Interest on bank and other borrowings wholly repayable		
– within five years	**12,175**	5,076
– after five years	**307**	–
	12,482	5,076

8. TAXATION

The charge comprises:

	Six months ended 30 June	
	2006	2005
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Income tax		
Current period	**100**	1,903
Deferred taxation	**–**	–
	100	1,903

Pursuant to the tax authorities in the PRC, Guangzhou Mayer Corporation Limited ("Guangzhou Mayer") is entitled to a preferential rate on PRC enterprise income tax of 10% for 2005 to 2006 (2004: 7.5%). The charge of PRC enterprise income tax for the year has been provided for after taking these tax incentives into account.

Income tax of the other companies comprising the Group is calculated at tax rates applicable to the jurisdictions in which they are incorporated/registered.

9. INTERIM DIVIDEND

No interim dividend has been paid or declared by the Company for the six months ended 30 June 2006 and 2005.

10. (LOSS)/EARNINGS PER SHARE

The calculations of the basic (loss)/earnings per share is based on the net loss from ordinary activities attributable to equity holders for the Period of approximately RMB10,025,000 (30 June 2005: Net profit of RMB9,970,000) and the weighted average of 400,000,000 (30 June 2005: 400,000,000 shares) shares in issue during the period.

There were no potential dilutive shares in existence for the six months ended 30 June 2006 and 2005, and accordingly, no diluted earnings per share amount has been presented.

11. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired property, plant and equipment of approximately RMB24,542,000.

12. TRADE RECEIVABLES

The Group has a policy of allowing an average credit period of 30-100 days to its trade customers and may be extended to selected customers depending on their trade volume and settlement with the Group.

An ageing analysis of trade receivables is as follows:

	30 June 2006 (Unaudited) ***RMB'000***	31 December 2005 (Audited) *RMB'000*
1-30 days	**82,485**	70,501
31-60 days	**55,861**	70,294
61-90 days	**57,471**	58,240
91-180 days	**77,513**	92,283
Over 180 days	**14,653**	19,637
	287,983	310,955
Provision for impairment of receivables	**(11,426)**	(11,426)
	276,557	299,529

13. **TRADE PAYABLES**

An ageing analysis of the trade payables is as follows:

	30 June 2006 (Unaudited) *RMB'000*	31 December 2005 (Audited) *RMB'000*
1-30 days	**49,923**	35,555
31-60 days	**38,637**	26,135
61-90 days	**25,605**	23,267
91-180 days	**11,244**	33,361
Over 180 days	**392**	16,853
	125,801	135,171

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Results

The unaudited turnover of the Group for the Period was approximately RMB467,373,000, representing a decrease of approximately 14.4% compared with approximately RMB546,105,000 for the corresponding period last year while the net loss attributable to shareholders was approximately RMB10,025,000, compared with the net profit attributable to shareholders of approximately RMB9,970,000 for the corresponding period last year.

Business Review

Following the prices of steel products have dropped significantly in the second half of 2005, the national economy of the PRC is basically achieving a balance in the first half of 2006. Prices of steel products for first quarter of 2006 continued the trend from the end of last year which remained at a low level, and starting from March 2006, as a result of increase in total demand, the prices of steel products started to rise again. However, the overall steel product prices during the Period were still substantially lower than those of the corresponding period last year. Sales volume of Group's steel products during the Period decreased 7.1% from approximately 70,000 tonnes for the corresponding period last year to approximately 65,000 tonnes. The average selling price of the Group's steel products during the Period decreased by approximately 17.8% compared with that for the corresponding period last year, the gross profit decreased and was mainly because of relatively lower growth rate of the selling prices of our steel products as compared to that of the purchasing costs of raw materials and fuels during the corresponding period last year.

Production and Sales

The revenue from indirect export sales of steel products in the PRC during the Period was approximately RMB369,879,000, representing a decrease of approximately 20.6% compared with approximately RMB466,024,000 for the corresponding period last year. The market for indirect export sales in the PRC continued to be the core market for the Group.

The revenue from domestic sales of steel products in the PRC during the Period was approximately RMB38,949,000, representing a decrease of approximately 50.1% compared with approximately RMB78,029,000 for the corresponding period last year.

The revenue from direct export sales of steel products outside the PRC during the Period was approximately RMB8,670,000, representing an increase of approximately 322.5% while it was approximately RMB2,052,000 for the corresponding period last year. The Group will continue to develop and maintain a good momentum of the international market, especially the newly launched product (stainless steel pipes) which has been exported to countries such as the U.S. and Vietnam.

The revenue from export sales of aluminum forged wheel products outside Taiwan during the Period was approximately RMB49,875,000. Since the Group's acquisition of Fullchamp Techologies Co., Ltd in late last year, the Group will put great effort on developing its marketing and sales channels in order to achieve a profitable economic of scale.

Gross Profit

The Group recorded a gross profit of approximately RMB17,189,000 for the Period, with a gross profit margin of approximately 3.7%, compared with the gross profit of approximately RMB38,314,000 and a gross profit margin of approximately 7.0% for the corresponding period last year. This was mainly attributable to the lower growth rate of the selling prices of our products as compared to that of the purchasing costs of raw materials and fuels, coupled with tight supply of power and transport.

Operating Expenses

The total operating expenses of the Group for the Period were approximately RMB26,796,000, of which approximately RMB6,960,000 in selling and distribution costs, RMB16,931,000 in administrative expenses, RMB2,905,000 in other operating expenses and RMB12,482,000 in finance costs, accounting for approximately 1.5%, 3.6%, 0.6% and 2.7% of turnover respectively while the amounts for the corresponding period last year were approximately RMB4,829,000, RMB15,632,000, RMB565,000 and RMB5,076,000 respectively, accounting for approximately 0.9%, 2.9%, 0.1% and 0.9% respectively.

Financial Resources and Treasury Policies

The Group continues to adhere to prudent treasury policies. The gearing ratio (borrowings divided by shareholders' funds) as of 30 June 2006 was approximately 181.9% (31 December 2005: 198.6%). The total bank borrowings of the Group amounted to approximately RMB372,351,000 (31 December 2005: RMB427,511,000), mainly denominated in US dollars, HK dollars, Renminbi and new Taiwan dollars with floating interest rates. The Group's short term loans from banks accounted for approximately 40.9% of the total assets (31 December 2005: 43.4%).

The current ratio (current assets divided by current liabilities) as of 30 June 2006 was approximately 1.17 (31 December 2005: 1.21). The Group continued to insure against receivables in order to lower the risks of credit sales and to ensure that funds would be recovered on a timely basis, hence fulfilling the requirements for debt repayments and working capital commitments.

Cash Flow

Net cash inflow of approximately RMB90,367,000 was from operating activities for the Period, mainly resulted from the decrease of inventories level and trade and other receivables of the Group. Despite approximately RMB318,577,000 raised from bank borrowings and repayment of borrowings of approximately RMB373,737,000 and net cash outflow of approximately RMB24,542,000 used for plant expansion and purchase of machinery and equipment. The net increase in cash and cash equivalents amounted to approximately RMB590,000. Bank balances and cash as at 30 June 2006 amounted approximately RMB27,253,000, mainly denominated in Renminbi, US dollars, HK dollars and new Taiwan dollars.

Exchange Rate Exposures

As most of the Group's monetary assets and liabilities are denominated in US dollars, HK dollars and Renminbi, new Taiwan dollars and those currencies remained relatively stable during the Period, the Group was not exposed to any significant exchange risk. Meanwhile, the Group is also studying and implementing various measures, including emerging financial products launched by the banks, in relation to reducing any exchange impact from the revalued of Renminbi against the US dollars.

Pledge of Assets

As at 30 June 2006, property, plant and equipment and interest in leasehold land held for own use under an operating lease of the Group with net book value of approximately RMB168,065,000 and RMB8,749,000 respectively were pledged to secure the bank borrowings.

Contingent Liabilities

The Group did not have any significant contingent liabilities at the balance sheet date (31 December 2005: Nil). At 30 June 2006, the Company had provided corporate guarantees of RMB145,263,000 (31 December 2005: RMB145,263,000) in favour of certain banks for banking facilities granted to subsidiaries. These banking facilities had been utilised to the extent of approximately RMB58,588,000 at the balance sheet date (31 December 2005: RMB96,983,000).

Employment, Training and Development

As at 30 June 2006, the Group had a total of 550 employees. Total staff costs for the Period were approximately RMB19,446,000, including retirement benefits cost of approximately RMB786,000. Remuneration packages of the Group are maintained at a competitive level to attract, retain and motive employees and are reviewed on a periodic basis.

Outlook

Under the macro-economic control policy, the growth rate will slow down in the second half of 2006. According to the "Strategy on the Development of the Steel Industry" promulgated by the State, the development of the steel industry will be directed towards controlled volume, technology upgrade, industrial layout and product mix adjustment, so as to combine the impact of an increase in new capacity with the phasing out of laggards. Following the new installation of steel-cutting and pipe-making machines, the Group's future production capacity and market competitiveness would be enhanced to meet the steady but moderately fast growth of the national economy of the PRC.

Looking forward to the second half of 2006, the imbalance between damand and supply in the steel sector will continue and the prices of steel products will still remain at a relatively low level. The Group's management is confident that the Group will fully capitalize its extensive experience in cost management and achieve greater cost effectiveness, increased output of high value-added products and welcome to every investment opportunity which are beneficial to the Group, with an aim to generate the best return from investments and generate the best returns to our investors.

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

During the Period, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the Company's listed shares.

Dividends

No dividend was paid during the period of six months ended 30 June 2006. The directors do not recommend the payment of an interim dividend for the period.

Audit Committee

The interim financial report of the Company for the six months ended 30 June 2006 has been reviewed by the Audit Committee comprising the three independent non-executive directors of the Company. At the request of the directors, the interim financial statements have also been reviewed by our auditors, CCIF CPA Limited, in accordance with Statement of Auditing Standard 700 "Engagement to Review Interim Financial Reports" issued by the Hong Kong Institute of Certified Public Accountants and an unmodified review report has been issued.

Model code for securities transactions by directors

The Company has adopted the code of conduct regarding directors' securities transactions as set out in the Model Code of the Listing Rules. Following specific enquiry by the Company, all directors confirmed that they have complied with the required standards as set out in the Model Code throughout the accounting period covered by the interim report.

Code on Corporate Governance Practices

The Company has complied with the code provisions laid down in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2006, except for the code provisions (i) A.2.1. whereas there is no separation of the role of Chairman and Chief Executive Officer. Mr. Lai Yueh-hsing currently assumes the role of both the Chairman and the Chief Executive Officer; and (ii) A.4.1 whereas all non-executive directors of the Company are not appointed for a specific term as they are subject to retirement and rotation in accordance with the Company's articles of association.

By Order of the Board
Lai Yueh-hsing
Chairman

Hong Kong, 25 September 2006

As at the date of this announcement, the executive directors of the Company are Mr. Lai Yueh-hsing, Mr. Lo Haw, Mr. Cheng Dar-terng, Mr. Chiang Jen-chin, Dr. Lin Meng-chang and Mr. Lu Wen-yi, the non-executive directors of the Company are Mr. Hsiao Ming-chih and Mr. Huang Chun-fa, and the independent non-executive directors of the Company are Mr. Lin Sheng-bin, Mr. Huang Jui-hsiang and Mr. Alvin Chiu respectively.

* *for identification purpose only*