美亞控股有限公司*

MAYER

MAYER HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1116)

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF SHARES IN FULLCHAMP

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF TWO AIRCRAFTS AND CONTINUING CONNECTED TRANSACTIONS

Financial Adviser to the Company

South China Capital Limited

THE DISPOSAL

On 13 April 2007, Sunbeam, a wholly-owned subsidiary of the Company, entered into the Share Disposal Agreement with Taiwan Mayer, the ultimate controlling Shareholder, pursuant to which Sunbeam agreed to sell and Taiwan Mayer agreed to purchase 11,960,000 shares of Fullchamp, representing approximately 28.51% of the total issued share capital of Fullchamp and representing the entire equity interest of the Company in Fullchamp, for a consideration of NT$12.50 (equivalent to approximately HK$2.95) per share and a total consideration of NT$149.5 million (equivalent to approximately HK$35.2 million) in cash.

AIRCRAFT SALE AGREEMENT

ROC Advance, a wholly-owned subsidiary of the Company, entered into the Aircraft Sale Agreement with Sino Regal, a wholly-owned subsidiary of Taiwan Mayer, the ultimate controlling Shareholder on 13 April 2007 regarding the purchase of two Dornier 228-212 aircrafts from Sino Regal for a total consideration of approximately USD2 million (equivalent to approximately HK$15.6 million).

CONTINUING CONNECTED TRANSACTIONS

(A) Lease Assignment Agreement

Pursuant to the Aircraft Lease Agreement entered into between Sino Regal and Daily Air Corporation, Inc. dated 1 May 2005, Sino Regal agreed to lease the Aircrafts to Daily Air Corporation, Inc. for a term of three years commencing from 1 May 2005 to 30 April 2008.

On 13 April 2007, Sino Regal, ROC Advance and Daily Air Corporation, Inc. executed the Lease Assignment Agreement. Pursuant to the Lease Assignment Agreement, Sino Regal, as the assignor, has transferred all its rights and responsibilities at the capacity of the lessor, including but not limited to receive rental fee from Daily Air Corporation, Inc., under the Aircraft Lease Agreement to ROC Advance, as the assignee. ROC Advance has agreed to continuously lease the Aircrafts to Daily Air Corporation, Inc. for the period commencing from the date of the Lease Assignment Agreement to 30 April 2008.

Pursuant to the Lease Assignment Agreement, the Directors expect that the annual cap for the rental fee payable by Daily Air Corporation, Inc. to ROC Advance for the period from the date of the Lease Assignment Agreement to 30 April 2008 will be USD552,000 per year.

(B) Raw Material Purchase Agreement

On 13 April 2007, Guangzhou Mayer, a 81.4% indirectly owned subsidiary of the Company, entered into the Raw Material Purchase Agreement with Taiwan Mayer pursuant to which Guangzhou Mayer agreed to purchase and Taiwan Mayer agreed to sell raw materials for the period commencing from 1 April 2007 to 31 March 2010.

Pursuant to the Raw Material Purchase Agreement, the Directors expect that the annual caps for the Raw Material Purchase for the three years ending 31 March 2010 will be USD3.9 million, USD4.29 million and USD4.719 million respectively.

GENERAL

The Disposal constitutes a major and connected transaction for the Company under the Listing Rules. The Acquisition constitutes a discloseable and connected transaction for the Company under the Listing Rules. The transactions contemplated under the Aircraft Lease Agreement and the Lease Assignment Agreement constitute continuing connected transactions for the Company under Rule 14A.34 of the Listing Rules. As each of the percentage ratios (other than the profits ratio) of the Aircraft Lease Agreement and the Lease Assignment Agreement is less than 2.5% and therefore is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements. The transactions contemplated under the Raw Material Purchase Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As one of the percentage ratios (other than the profits ratio) of the Raw Material Purchase Agreement is more than 2.5% but less than 25% and the annual consideration is more than HK$10 million and therefore is subject to the reporting, announcement and independent shareholders' approval requirements. The Disposal, the Acquisition and the transactions contemplated under the Raw Material Purchase Agreement will be subject to approval of the independent Shareholders by way of poll at the EGM.

Mr. Huang Chun-fa, a non-executive Director, is a substantial shareholder who owns beneficially as to approximately 34.31% of Daily Air Corporation, Inc.. Accordingly, Daily Air Corporation, Inc. is a connected person of the Company under the Listing Rules and the transactions contemplated under the Aircraft Lease Agreement and the Lease Assignment Agreement constitute continuing connected transactions for the Company.

Taiwan Mayer and its associates are required to abstain from voting in respect of the resolutions to be proposed at the EGM to approve the Disposal, the Acquisition and the transactions contemplated under the Raw Material Purchase Agreement. An independent board committee will be established to advise the independent Shareholders in respect of the Disposal, the Acquisition and the transactions contemplated under the Raw Material Purchase Agreement. An independent financial adviser will be appointed to advise the independent board committee and the independent Shareholders in this regard.

A circular containing, among other things, further details on the Disposal, the Acquisition, the Aircraft Lease Agreement, the Lease Assignment Agreement and the Raw Material Purchase Agreement, the letter of advice from the independent financial adviser to the independent board committee and the independent Shareholders, the recommendation of the independent board committee to the independent Shareholders in respect of the Disposal, the Acquisition and the transactions contemplated under the Raw Material Purchase Agreement together with the notice of the EGM will be despatched to the Shareholders as soon as practicable.

THE DISPOSAL

On 13 April 2007, Sunbeam, a wholly-owned subsidiary of the Company, entered into the Share Disposal Agreement with Taiwan Mayer, the ultimate controlling Shareholder, pursuant to which Sunbeam agreed to sell and Taiwan Mayer agreed to purchase 11,960,000 shares of Fullchamp, representing approximately 28.51% of the total issued share capital of Fullchamp and representing the entire equity interest of the Company in Fullchamp, for a consideration of NT$12.50 (equivalent to approximately HK$2.95) per share and a total consideration of NT$149.5 million (equivalent to approximately HK$35.2 million) in cash.

The consideration for the Disposal was determined by reference to the net asset value of Fullchamp as at 31 December, 2006 and was arrived at after arm's length negotiation between the Company and Taiwan Mayer. The Directors are of the view that the consideration of the Disposal is fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

The Share Disposal Agreement is subject to the passing of a resolution by the independent Shareholders at the EGM approving the Disposal.

The effect of the Disposal on the Company's shareholding in Fullchamp

Upon completion of the Disposal, the Company through Sunbeam has disposed its remaining holding of 11,960,000 shares in Fullchamp, representing approximately 28.51% of the total issued share capital of Fullchamp and representing the entire equity interest of the Company in Fullchamp. Accordingly, upon completion of the Disposal, the Company will have no beneficial interest in Fullchamp and Fullchamp will cease to be a subsidiary of the Company.

The shareholding structures of Fullchamp prior to completion of the Disposal, and immediately after completion of the Disposal are as follows:

	Prior to completion of the Disposal		**Immediately after completion of the Disposal**	
	Shares of Fullchamp	*%*	*Shares of Fullchamp*	*%*
The Company	11,960,000	28.51	–	–
Taiwan Mayer*	9,600,000	22.88	21,560,000	51.39
Other shareholders	20,388,500	48.61	20,388,500	48.61
Total	41,948,500	100.00	41,948,500	100.00

* Taiwan Mayer is the ultimate controlling Shareholder and is beneficially interested in 62.50% of the issued share capital of the Company as at the date of this announcement.

Information of Fullchamp

Fullchamp was incorporated in July 2002 as a private company and is principally engaged in the design, development and manufacture of aluminium forged and forged-spun wheels for automobiles such as passenger, motorbike, sports utility vehicle and truck.

The following summarizes the audited financial results of Fullchamp for the years ended 31 December 2005 and 31 December 2006 (in accordance with generally accepted accounting principles in Taiwan) respectively:

	For the year ended 31 December 2005 *(NT$ '000)*	**For the year ended 31 December 2006** *(NT$ '000)*
Turnover	213,195	**436,329**
Gross profit	(11,138)	**56,043**
Profit (loss) before taxation and extraordinary items	(109,822)	**(26,764)**
Taxation	4,226	**5,349**
Profit (loss) after taxation and extraordinary items	(105,596)	**(21,415)**

Reasons for the Disposal

The Group is principally engaged in the processing and manufacturing different kinds of steel sheets and steel pipes which are used in the manufacturing 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.

Taiwan Mayer is principally engaged in the processing and manufacturing of steel pipes mainly for the domestic market in Taiwan.

Fullchamp suffered from net losses of NT$105,596,000 (equivalent to approximately HK$24,878,418) and NT$21,415,000 (equivalent to approximately HK$5,045,374) for the years ended 31 December 2005 and 31 December 2006 respectively. The Directors consider that Fullchamp is in the development stage of business and has been loss making for the previous years. The Group has been putting effort to work with Fullchamp in order to strengthen the marketing and sales channels of Fullchamp. The net losses of Fullchamp for the year ended 31 December 2006 has been improved by approximately 79.7% when compare to the corresponding period of last year. Fullchamp issued additional new shares to its shareholders to raise capital in May 2006. The Board decided at that time not to participate in such share offer by Fullchamp, accordingly, the Company's shareholding interest in Fullchamp was diluted from 51.83% to 39.48% and it was treated as a deemed disposal by the Company, details of which were disclosed in the circular of the Company dated 12 June 2006. Subsequently, the Company had further disposed of its shareholding interest in Fullchamp, representing approximately 10.97% share capital of Fullchamp, to independent third parties, details of which were disclosed in the circular of the Company dated 10 November 2006. The Board believes that by disposing the investment of the Company in Fullchamp could reduce the administrative costs and the Company could bear less operating risk. In addition, the Company would get immediate cash from the Disposal which would enhance its working capital level and finance for the Acquisition. The Company could then better allocate its resources to other businesses and capture potential investment opportunities with additional working capital generated from the Disposal. Following completion of the Disposal, the Company will have no beneficial interest in Fullchamp. Fullchamp will cease to be a subsidiary of the Company and the financial results of Fullchamp will not be consolidated into the Group's accounts. The Directors believe that the terms of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net proceeds of the Disposal is estimated to be approximately NT$146.1 million (equivalent to approximately HK$34.4 million). According to the Directors, the net proceeds will mainly be used as funding for the Acquisition and general working capital.

The financial effects of the Disposal on the Company

The audited net asset value of Fullchamp immediately before completion of the Disposal as at 31 December 2006 is NT$368,429,017 (equivalent to approximately HK$86,801,876). The Company will record a gain on Disposal of approximately NT$26.5 million (equivalent to approximately HK$6.2 million) calculated based on the total consideration of the Disposal deducted by the cost of 11,960,000 shares of Fullchamp amounted to NT$119.6 million and related expenses of the Disposal amounted to approximately NT$3.4 million.

Listing Rules implication

The Company had disposed 4,600,000 shares of Fullchamp, representing approximately 10.97% of the total issued share capital of Fullchamp within the past twelve months (details of the previous disposal were disclosed in the circular of the Company dated 10 November 2006). The previous disposal and the Disposal are required to be aggregated and treated as if they are one transaction pursuant to Rule 14.23(2) of the Listing Rules. Accordingly, the aggregated figures of the previous disposal and the Disposal were used in calculating the percentage ratios.

Taiwan Mayer, the ultimate controlling Shareholder, is a connected person of the Company under Rule 14A.11(1) of the Listing Rules. As the percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction under Chapter 14 of the Listing Rules. Accordingly, the Disposal constitutes a major and connected transaction for the Company and will be subject to approval of the independent Shareholders by way of poll at the EGM.

AIRCRAFT SALE AGREEMENT

ROC Advance, a wholly-owned subsidiary of the Company, entered into the Aircraft Sale Agreement with Sino Regal, a wholly-owned subsidiary of Taiwan Mayer, the ultimate controlling Shareholder on 13 April 2007 regarding the purchase of two Dornier 228-212 aircrafts from Sino Regal.

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

Date

13 April 2007

Parties

Vendor:

Sino Regal, a wholly-owned subsidiary of Taiwan Mayer, the ultimate controlling Shareholder. The principal business of Sino Regal is investment holding and aircrafts leasing.

Purchaser:

ROC Advance

Asset to be purchased

ROC Advance acquires two Dornier 228-212 aircrafts from Sino Regal.

The date of manufacture of the two Dornier 228-212 aircrafts were 1992 and 1994, bearing registration numbers B-55561 and B-55563. The manufacturer's serial numbers are 8215 and 8224, both with Garret TPE331-5 engines. Each of the Dornier 228-212 aircraft carries 19 passengers and with configuration for passenger and cargo transportations.

The Dornier 228-212 aircrafts have a length of 16.56 metres, wingspan of 16.97 metres, height of 4.86 metres and wing area of 32.00 square metres. The maximum takeoff of the Aircrafts is 6,400 kg. The maximum speed of the Aircrafts is 434 kilometres per hour with a flying range of 1,037 kilometres.

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 10 years is approximately USD2 million (equivalent to approximately HK$15.6 million), which was determined as a matter of commercial decision after arm's length negotiations and with reference to the net book value of the Aircrafts. Sino Regal acquired the Aircrafts in May 2005. The original acquisition cost of the Aircrafts and parts to Sino Regal amounted to approximately USD2.44 million. Sino Regal 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 terms of the aircraft's model, size, specifications and the ex-factory date to reach such consideration. Given that the consideration is within the range of market price of similar aircrafts, the Directors consider that the consideration of the Acquisition is fair and reasonable for the Company. Such consideration is payable by ROC Advance upon the Aircrafts being delivered to ROC Advance.

The acquisition of the Aircrafts will be financed by the internal resources of the Company which is mainly from the cash consideration of the Disposal.

Condition precedent

The Aircraft Sale Agreement is subject to the passing of a resolution by the independent Shareholders at the EGM approving the Acquisition.

Listing Rules implication

Taiwan Mayer, the ultimate controlling Shareholder, is a connected person of the Company under Rule 14A.11(1) of the Listing Rules. As one of the percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable and connected transaction for the Company and will be subject to approval of the independent Shareholders by way of poll at the EGM.

CONTINUING CONNECTED TRANSACTIONS

(A) Lease Assignment Agreement

The principal terms of the Lease Assignment Agreement are as follows:

Date:

13 April 2007

Parties

Assignor

Sino Regal

Assignee:

ROC Advance

Lessee:

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

Particulars

Daily Air Corporation, Inc. is principally engaged in operating domestic airlines for passenger and cargo transportations among offshore islands in the Republic of China.

Pursuant to the Aircraft Lease Agreement entered into between Sino Regal and Daily Air Corporation, Inc. dated 1 May 2005, Sino Regal agreed to lease the Aircrafts to Daily Air Corporation, Inc. for a term of three years commencing from 1 May 2005 to 30 April 2008. The rental fee pursuant to the Aircraft Lease Agreement payable by Daily Air Corporation, Inc. amounts to USD23,000 (equivalent to approximately HK$179,400) for each aircraft per month and is to be settled on a monthly basis in cash at the end of each month.

On 13 April 2007, Sino Regal, ROC Advance and Daily Air Corporation, Inc. executed the Lease Assignment Agreement. Pursuant to the Lease Assignment Agreement, Sino Regal, as the assignor, has transferred all its rights and responsibilities at the capacity of the lessor, including but not limited to receive rental fee from Daily Air Corporation, Inc., under the Aircraft Lease Agreement to ROC Advance, as the assignee. ROC Advance has agreed to continuously lease the Aircrafts to Daily Air Corporation, Inc. for the period commencing from the date of the Lease Assignment Agreement 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. All parties to the Lease Assignment Agreement have agreed that the Lease Assignment Agreement is conditional on the completion of the Aircraft Sale Agreement.

Consideration:
The rental fee in respect of the Lease Assignment Agreement payable by Daily Air Corporation, Inc. for the year ending 30 April 2008 amounts to USD552,000 (equivalent to approximately HK$4,305,600) and is to be settled on a monthly basis in cash at the end of each month. Save for the rental fee which will be derived from the Lease Assignment Agreement, there is no consideration for the assignment. Such rental fee is 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 Lease Assignment Agreement, all the terms and conditions under the Aircraft Lease Agreement shall remain valid and continue in full force and effect. In addition, the parties to the Lease Assignment Agreement agreed that:

1. The assignor shall assign it rights in the Aircraft Lease Agreement to the assignee.

2. The assignee assumes and undertakes all of the terms and conditions of the lease as his own obligation.

3. The Lease Assignment Agreement contains the entire understanding of the parties of the Lease Assignment Agreement. It may not be changed orally. The Lease Assignment Agreement may be amended or modified only with such writing being executed by the parties of the Lease Assignment Agreement.

Pursuant to the Lease Assignment Agreement, the Directors expect that the annual cap for the rental fee payable by Daily Air Corporation, Inc. to ROC Advance for the period from the date of the Lease Assignment Agreement to 30 April 2008 will be USD552,000 per year.

Listing Rules implication
Mr. Huang Chun-fa, a non-executive Director, is a substantial shareholder who owns beneficially as to approximately 34.31% of Daily Air Corporation, Inc.. Accordingly, Daily Air Corporation, Inc. is a connected person of the Company under the Listing Rules and the transactions contemplated under the Aircraft Lease Agreement and the Lease Assignment Agreement constitute continuing connected transactions for the Company. To be best of the Directors' knowledge, information and belief having made all reasonable enquiry, the shareholders of Daily Air Corporation, Inc. other than Mr. Huang Chun-fa, 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.

The transactions contemplated under the Aircraft Lease Agreement and the Lease Assignment Agreement constitute continuing connected transactions for the Company under Rule 14A.34 of the Listing Rules. As each of the percentage ratios (other than the profits ratio) of the Aircraft Lease Agreement and the Lease Assignment Agreement is less than 2.5% and therefore is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements.

Reasons for the Acquisition and Lease Assignment Agreement

The Directors consider the Acquisition and the transactions contemplated under the Aircraft Lease Agreement and the Lease Assignment Agreement are one of the best investment opportunities currently available to the Company. Having considered the working capital position of the Company, the Company has sufficient financial resources to finance the purchase of the Aircrafts. In 2005, the Company acquired two similar aircrafts and entered into similar leasing arrangements with Daily Air Corporation, Inc. which results in a steady rental income to the Group. Accordingly, the Board considers that the Acquisition is a good investment opportunity which is beneficial to the Group and is a high yield investment that may increase the profitability of the Company. In addition, in view of the potential stable revenue which the Group could be derived from purely leasing the Aircrafts to Daily Air Corporation, Inc., the Directors believe that the Company will be able to generate a best return from the acquisition and leasing of the Aircrafts. All costs related to the day-to-day operation of the Aircrafts, including maintenance and insurance costs, will be fully borne by Daily Air Corporation, Inc.. The Company, other than the acquisition cost of the Aircrafts, will only incur costs for any tax liability arising from leasing the Aircrafts. The Directors consider that purchasing the Aircrafts and leasing the Aircrafts to Daily Air Corporation, Inc. are in the interests of the Company and its shareholders as a whole. The terms of the Aircraft Sale Agreement, the Aircraft Lease Agreement and the Lease Assignment Agreement were arrived at after arm's length negotiation between Sino Regal, ROC Advance and Daily Air Corporation, Inc.. The Directors (excluding the independent non-executive Directors who will express their opinion on the Acquisition after receiving advice from the independent financial adviser) consider that the terms of the Aircraft Sale Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Shareholders as a whole. The Directors (including the independent non-executive Directors) consider that the terms of the Aircraft Lease Agreement and the Lease Assignment Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Shareholders as a whole.

(B) Raw Material Purchase Agreement

On 13 April 2007, Guangzhou Mayer, a 81.4% indirectly owned subsidiary of the Company, entered into the Raw Material Purchase Agreement with Taiwan Mayer pursuant to which Guangzhou Mayer agreed to purchase and Taiwan Mayer agreed to sell raw materials for the period commencing from 1 April 2007 to 31 March 2010.

Pursuant to the Raw Material Purchase Agreement, the subject raw materials to be purchased by Guangzhou Mayer is called electrolytic zinc-coated steel sheets ("EG"), which is a kind of steel raw materials used in the production process.

Reasons for the Raw Material Purchase

Guangzhou Mayer is principally engaged in manufacture and trading of steel pipes, steel sheets and other products made of steel.

Guangzhou Mayer has been purchasing EG from a leading supplier in Taiwan, an independent third party of the Company, on normal commercial terms. Guangzhou Mayer expects that the existing purchase quota Guangzhou Mayer obtained from the leading supplier is inadequate to meet the customers' orders for the year ending 2007. The leading supplier is the major supplier of EG in the Taiwan market. Most of other EG suppliers also purchase EG with the purchase quota from such leading supplier. Guangzhou Mayer has quoted the price of EG from other suppliers and considers that the current selling price of EG from such leading supplier is the lowest amongst others. Guangzhou Mayer could choose to purchase EG from other EG suppliers but with a higher price as the price quoted by other EG suppliers would likely be marked up. Accordingly, Guangzhou Mayer will purchase EG from Taiwan Mayer, as Taiwan Mayer has unused quota to purchase EG from such leading supplier after taking into account its own consumption. Taiwan Mayer will be one of the suppliers of Guangzhou Mayer. Given that Taiwan Mayer would mark-up 1.85% on the cost of EG purchase from such leading supplier before selling to Guangzhou Mayer, the Directors consider the price from Taiwan Mayer is reasonable and lower than that quoted from other EG suppliers.

The Directors consider that the Raw Material Purchase is in the interests of the Company and its shareholders as a whole. The Raw Material Purchase Agreement has been entered into in the ordinary and usual course of business of the Group. The terms of the Raw Material Purchase Agreement were arrived at after arm's length negotiation between Guangzhou Mayer and Taiwan Mayer. The Directors (excluding the independent non-executive Directors who will express their opinion after receiving advice from the independent financial adviser) consider that the terms of the Raw Material Purchase Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Shareholders as a whole.

The Raw Material Purchase Agreement is conditional upon independent Shareholders' approval. Pursuant to the Raw Material Purchase Agreement, the Directors expect that the annual caps for the Raw Material Purchase for the three years ending 31 March 2010 will be USD3.9 million, USD4.29 million and USD4.719 million respectively.

The proposed annual caps were determined by the Company and Guangzhou Mayer based on the historic actual requirement on metric tons of EG by Guangzhou Mayer plus the expected increment each year based on a growth rate of 10% per year times the expected selling price quoted from the current supplier.

Listing Rules implication

Taiwan Mayer, the ultimate controlling Shareholder, is a connected person of the Company under Rule 14A.11(1) of the Listing Rules. Accordingly, the transactions contemplated under the Raw Material Purchase Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As one of the percentage ratios (other than the profits ratio) of the Raw Material Purchase Agreement is more than 2.5% but less than 25% and the annual consideration is more than HK$10 million and therefore is subject to the reporting, announcement and independent shareholders' approval requirements.

GENERAL

The Disposal constitutes a major and connected transaction for the Company under the Listing Rules. The Acquisition constitutes a discloseable and connected transaction for the Company under the Listing Rules. The transactions contemplated under the Aircraft Lease Agreement and the Lease Assignment Agreement constitute continuing connected transactions for the Company under Rule 14A.34 of the Listing Rules. As each of the percentage ratios (other than the profits ratio) of the Aircraft Lease Agreement and the Lease Assignment Agreement is less than 2.5% and therefore is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements. The transactions contemplated under the Raw Material Purchase Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As one of the percentage ratios (other than the profits ratio) of the Raw Material Purchase Agreement is more than 2.5% but less than 25% and the annual consideration is more than HK$10 million and therefore is subject to the reporting, announcement and independent shareholders' approval requirements. The Disposal, the Acquisition and the transactions contemplated under the Raw Material Purchase Agreement will be subject to approval of the independent Shareholders by way of poll at the EGM.

Taiwan Mayer and its associates are required to abstain from voting in respect of the resolutions to be proposed at the EGM to approve the Disposal, the Acquisition and the transactions contemplated under the Raw Material Purchase Agreement. An independent board committee will be established to advise the independent Shareholders in respect of the Disposal, the Acquisition and the transactions contemplated under the Raw Material Purchase Agreement. An independent financial adviser will be appointed to advise the independent board committee and the independent Shareholders in this regard.

A circular containing, among other things, further details on the Disposal, the Acquisition, the Aircraft Lease Agreement, the Lease Assignment Agreement and the Raw Material Purchase Agreement, the letter of advice from the independent financial adviser to the independent board committee and the independent Shareholders, the recommendation of the independent board committee to the independent Shareholders in respect of the Disposal, the Acquisition and the transactions contemplated under the Raw Material Purchase Agreement together with the notice of the EGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

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

"Acquisition"	the acquisition of Aircrafts from Sino Regal by the Company
"Aircrafts"	two Dornier 228-212 aircrafts, each in a 19 passengers configuration for passenger and cargo transportations
"Aircraft Lease Agreement"	an agreement dated 1 May 2005 entered into between Sino Regal, the lessor, and Daily Air Corporation, Inc., the lessee, in respect of the leasing of Aircrafts
"Aircraft Sale Agreement"	an agreement dated 13 April 2007 entered into between ROC Advance and Sino Regal in respect of the purchase of the Aircrafts
"associates"	has the meaning ascribed to it in the Listing Rules
"Board"	the board of Directors
"Company"	Mayer Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange
"Directors"	directors of the Company

"Disposal"	the disposal of 11,960,000 shares in Fullchamp by the Company pursuant to the Share Disposal Agreement
"EGM"	extraordinary general meeting of the Company to be convened to approve the Disposal, the Acquisition and the transactions contemplated under the Raw Material Purchase Agreement
"Fullchamp"	Fullchamp Technologies Co., Ltd (富成金屬科技股份有限公司), a company established under the laws of the Republic of China
"Group"	the Company and its subsidiaries
"Guangzhou Mayer"	Guangzhou Mayer Corp. Limited, a company incorporated in PRC and a non wholly-owned subsidiary of the Company
"Lease Assignment Agreement"	a lease assignment agreement dated 13 April 2007 entered into between Sino Regal, the assignor, ROC Advance, the assignee, and Daily Air Corporation, Inc., the lessee, in respect of the assignment of the Aircrafts lease rights from the assignor to the assignee
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Raw Material Purchase"	the transaction contemplated under the Raw Material Purchase Agreement in relation to the purchase of raw materials from Taiwan Mayer by Guangzhou Mayer
"Raw Material Purchase Agreement"	an agreement dated 13 April 2007 entered into between Guangzhou Mayer and Taiwan Mayer pursuant to which Guangzhou Mayer agreed to purchase and Taiwan Mayer agreed to sell raw materials for the period commencing from 1 April 2007 to 31 March 2010
"ROC Advance"	ROC Advance Limited, a limited company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
"Share Disposal Agreement"	an agreement dated 13 April 2007 entered into between Sunbeam and Taiwan Mayer pursuant to which Sunbeam agreed to sell and Taiwan Mayer agreed to purchase 11,960,000 shares of Fullchamp
"Shareholder(s)"	shareholder(s) of the Company

"Sino Regal"	Sino Regal Assets Limited, a company incorporated in British Virgin Islands and a wholly-owned subsidiary of Taiwan Mayer
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Sunbeam"	Sunbeam Group Limited, a company incorporated in British Virgin Islands and a wholly-owned subsidiary of the Company
"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
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"NT$"	New Taiwanese dollars, the lawful currency of the Republic of China
"USD"	US dollars, the lawful currency of the United States of America
"%"	Percent

For the purpose of this announcement, all amounts denominated in NT$ and USD have been translated (for information only) into HK$ using the exchange rates of NT$1.00:HK$0.2356 and USD1.00:HK$7.80. Such translation shall not be construed as a representation that amounts of NT$ and USD were or may have been converted.

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

Hong Kong, 13 April 2007

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, Mr. 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.*