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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)

**VERY SUBSTANTIAL ACQUISITION
AND
RESUMPTION OF TRADING**

After Stock Exchange morning session of trading hours on 26 November 2009, the Company and the Vendors entered into the Agreement pursuant to which the Vendors have agreed to sell to the Company the Sale Shares. The Sale Shares represent the entire issued share capital of Maxipetrol HK, which will be principally engaged in petroleum production in the Areas located in Argentina.

The Consideration for the Acquisition is HK\$1,264,000,000 and shall be satisfied by the Group at Completion (i) as to HK\$400,000,000 by the issue of the Promissory Notes; (ii) as to HK\$600,000,000 by the issue of the First Convertible Notes; and (iii) as to HK\$264,000,000 by the issue of the Second Convertible Notes.

The Acquisition constitutes a very substantial acquisition for the Company under the Listing Rules and is subject to approval by the Shareholders. The EGM will be convened to seek approval from the Shareholders for the Acquisition and the transactions contemplated under the Agreement. No Shareholder is required to abstain from voting on the resolution(s) to be proposed at the EGM regarding the Acquisition.

The Board also proposes to increase the Company's authorised share capital from HK\$200,000,000 divided into 2,000,000,000 Shares to HK\$300,000,000 divided into 3,000,000,000 Shares by the creation of an additional 1,000,000,000 unissued Shares.

A circular containing, among other things, details of the Acquisition and the transactions contemplated under the Agreement, financial information of the Group and Maxipetrol HK, a technical report on the Areas in accordance with the requirements under Chapter 18 of the Listing Rules, a valuation report on Maxipetrol HK, details of the proposed increase in share capital of the Company and the notice of the EGM will be despatched to the Shareholders as soon as practicable.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 2:30 p.m. on 26 November 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 9 December 2009.

The Board is pleased to announce that the Company entered into the Agreement with the Vendors after the morning session of trading hours of the Stock Exchange on 26 November 2009 in relation to the Acquisition. Details of the Agreement are set out below.

THE AGREEMENT

Parties

- (i) the Company, the purchaser;
- (ii) Mr. Lalin, one of the Vendors who owns 73.8% of the equity interests of Maxipetrol HK;
- (iii) Mr. Martin, one of the Vendors who owns 6.2% of the equity interests of Maxipetrol HK; and
- (iv) Maxipetrol, one of the Vendors who owns 20.0% of the equity interests of Maxipetrol HK

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Mr. Lalin, Mr. Martin, Maxipetrol and its beneficial owners are third parties independent of the Company and its connected persons. The Group has not engaged in any previous transactions which were related to the Acquisition or with either of the Vendors in the last 12 months which would otherwise require aggregation under Rule 14.22 of the Listing Rules.

Assets to be acquired

Pursuant to the Agreement, the Vendors have agreed to sell to the Company the Sale Shares, representing the entire issued share capital of Maxipetrol HK.

Consideration

The total consideration for the Acquisition is HK\$1,264,000,000 and shall be satisfied at Completion as follows:

- (i) as to HK\$400,000,000 by the issue of the Promissory Notes by the Company to the Vendors (or their respective nominees), with Promissory Notes in principal amount of HK\$295,200,000 to be issued to Mr. Lalin or his nominee(s), Promissory Notes in principal amount of HK\$24,800,000 to be issued to Mr. Martin or his nominee(s) and Promissory Notes in principal amount of HK\$80,000,000 to be issued to Maxipetrol or its nominee(s);

- (ii) as to HK\$600,000,000 by the issue of the First Convertible Notes by the Company to the Vendors (or their respective nominees), with First Convertible Notes in principal amount of HK\$442,800,000 to be issued to Mr. Lalin or his nominee(s), First Convertible Notes in principal amount of HK\$37,200,000 to be issued to Mr. Martin or his nominee(s) and First Convertible Notes in principal amount of HK\$120,000,000 to be issued to Maxipetrol or its nominee(s); and
- (iii) as to HK\$264,000,000 by the issue of the Second Convertible Notes by the Company to the Vendors (or their respective nominees), with Second Convertible Notes in principal amount of HK\$194,832,000 to be issued to Mr. Lalin or his nominee(s), Second Convertible Notes in principal amount of HK\$16,368,000 to be issued to Mr. Martin or his nominee(s) and Second Convertible Notes in principal amount of HK\$52,800,000 to be issued to Maxipetrol or its nominee(s).

The Consideration of HK\$1,264,000,000 was determined after arm's length negotiations between the parties. In determining the Consideration, the Board has obtained a draft valuation report on Maxipetrol HK prepared by BMI, an independent valuer, and a draft technical report on the petroleum resources in the Areas prepared by NSAI, an independent technical adviser. The draft valuation report on Maxipetrol HK has been prepared using market approach, based on the consideration for other reported petroleum or oilfield related transactions, the estimated amount of petroleum resources in the Areas according to the draft technical report prepared by NSAI, and the 20% Operating Interests of Maxipetrol HK in the Areas. Taking into account of, among other things, (i) the indicated valuation of Maxipetrol HK prepared by BMI of approximately US\$233 million (equivalent to approximately HK\$1.817 billion) and the discount of approximately 30.4% represented by the Consideration to such indicated valuation; (ii) the best estimate of gross (100%) contingent oil resources of approximately 146.9 million barrels and gross (100%) unrisks prospective oil resources of approximately 13.5 million barrels according to the draft technical report on the Areas prepared by NSAI; and (iii) the 20% operating interest of Maxipetrol HK in the new wells drilled and to be drilled pursuant to the Assignment Agreement in the Areas as further described in the paragraph headed "Information on Maxipetrol HK" below, the Directors consider that the Consideration is fair and reasonable.

BMI has solid experience in the area of natural resource valuations and has performed various valuation projects on similar assets or companies engaged in similar business activities as those of Maxipetrol HK in Hong Kong, China and the Asia-Pacific region. NSAI is an independent firm of international reserves consultants. It has conducted reserves certifications, technical studies and economic evaluations, and advisory work for both onshore and offshore fields throughout the world and performed a complete range of integrated geophysical, geological, petrophysical and engineering services for their clients that include major and independent oil and gas companies, national oil and gas companies, financial institutions, government agencies, investors and law firms. NSAI has prepared reports known in various countries as Independent Reserves/ Resources Reports, Competent Persons Reports, and Independent Technical Advisor

Reports for inclusion in public documents of companies listed on the Stock Exchange and other world recognised stock exchanges. The valuation report prepared by BMI and the technical report prepared by NSAI relating to Maxipetrol HK’s operating interest in the Areas, as well as the details of the professional qualifications of the personnel in charge of the valuation and the preparation of the technical report, will be included in the circular relating to the Acquisition to be despatched to the Shareholders.

Principal terms of the Promissory Notes

The Promissory Notes shall be issued by the Company to the Vendors or their respective nominee(s) at Completion as part of the Consideration. The principal terms of the Promissory Notes are as follows:–

- Principal amount: HK\$400,000,000
- Repayment: The principal sum shall be repaid in full on the date falling on the third anniversary of the issue of the Promissory Notes.
- Interest: 5% per annum, commencing from the date of issue of the Promissory Notes and shall be paid annually in arrears and on the maturity of the Promissory Notes.
- Prepayment: The Company may prepay all or part (amount of any partial prepayment shall be at least HK\$500,000) of the principal sum before the maturity of the Promissory Notes by giving not less than seven days’ prior written notice to the holder of the Promissory Notes specifying the amount and the date of prepayment.
- Transferability: Holder of the Promissory Notes may at any time assign or transfer all or any part (in an integral multiple of HK\$500,000 or, where the outstanding principal amount of the Promissory Notes is less than HK\$500,000, the entirety) of the Promissory Notes to a third party provided that no assignment or transfer shall be made to a connected person of the Company without the prior written consent of the Company.

Principal terms of the First Convertible Notes

Aggregate principal amount: HK\$600,000,000

Interest: The First Convertible Notes will bear interest at the rate of 1% per annum, payable semi-annually in arrear

Maturity date: The date falling on the day being the 5th anniversary of the date of issue of the First Convertible Notes.

Unless previously redeemed, purchased and cancelled or converted, the First Convertible Notes or any part thereof shall be converted on the maturity date, subject to the conversion restriction as set out below.

Early redemption: The whole of the First Convertible Notes may be redeemed at the option of the Company in whole or in part, upon the written confirmation has been obtained from the holder(s) of the First Convertible Notes at 90% of their principal amount without any interest. The First Convertible Notes so redeemed shall be cancelled and may not be reissued or resold.

Initial Conversion price: 15% premium of the average closing price of the last five consecutive trading days of the Shares as quoted on the Stock Exchange before conversion or HK\$0.6325 per Share, whichever is the higher. The conversion price will subject to usual anti-dilution adjustments in certain events such as share consolidation, share subdivision, capitalization issue, capital distribution, rights issue and other issues of Shares and/or convertible securities.

The lowest conversion price of the First Convertible Notes is HK\$0.6325 per Share has been used as the basis for calculation of the lowest conversion price of the First Convertible Notes. The lowest conversion price of the First Convertible Notes of HK\$0.6325 per Share represents:

- (i) a discount of approximately 12.15% to the closing price of the Shares of HK\$0.72 per Share as quoted on the Last Trading Day;

- (ii) a discount of approximately 10.92% to the average of the closing prices of the Shares of HK\$0.71 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including Last Trading Day;
- (iii) a discount of approximately 10.92% to the average of the closing prices of the Shares of HK\$0.71 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day; and
- (iv) a premium of approximately 9.05% over the unaudited net asset value per Share attributable to the Shareholders as at 30 June 2009 of approximately HK\$0.58 per Share.

For illustrative purpose, the conversion price of the First Convertible Notes is about HK\$0.82 per Share based on the assumption that (a) the holders of the First Convertible Notes will convert the First Convertible Notes immediately; and (b) the last five consecutive trading days of the Shares as quoted on the Stock Exchange including 26 November 2009 has been used as the basis for calculation of the Conversion price of the First Convertible Notes. The conversion price of the First Convertible Notes of HK\$0.82 per Share represents:

- (i) a premium of approximately 13.89% to the closing price of the Shares of HK\$0.72 per Share as quoted on the Last Trading Day;
- (ii) a premium of approximately 15.49% to the average of the closing prices of the Shares of HK\$0.71 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including Last Trading Day;
- (iii) a premium of approximately 15.49% to the average of the closing prices of the Shares of HK\$0.71 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day; and

- (iv) a premium of approximately 41.38% over the unaudited net asset value per Share attributable to the Shareholders as at 30 June 2009 of approximately HK\$0.58 per Share.

Conversion rights and conversion period:

The First Convertible Notes holder(s) shall have the right to convert the whole or any part of the outstanding principal amount of the First Convertible Notes into Shares (subject to restrictions as detailed below) at any time and from time to time on any business day prior to the maturity date of the First Convertible Notes at the lowest conversion price of HK\$0.6325 per Share (subject to adjustments) or assuming at the initial conversion price of HK\$0.82 per Share (subject to adjustments).

Conversion Shares:

Upon the full conversion of the First Convertible Notes at the lowest initial conversion price of HK\$0.6325 per Share, an aggregate of 948,616,600 Conversion Shares will be issued, representing approximately 164.69% of the issued share capital of the Company as at the date hereof and 48.85% of the issued share capital of the Company as enlarged by the issue of 1,366,007,904 Conversion Shares.

Upon the full conversion of the First Convertible Notes assuming at the initial conversion price of HK\$0.82 per Share, an aggregate of 731,707,317 Conversion Shares will be issued, representing approximately 127.03% of the issued share capital of the Company as at the date hereof and 44.90% of the issued share capital of the Company as enlarged by the issue of 1,053,658,536 Conversion Shares.

Principal terms of the Second Convertible Notes

Aggregate principal amount: HK\$264,000,000

Interest: The Second Convertible Notes will bear interest at the rate of 2% per annum, payable semi-annually in arrear

Maturity date: The date falling on the day being the 8th anniversary of the date of issue of the Second Convertible Notes.

Unless previously redeemed, purchased and cancelled or converted, the Second Convertible Notes or any part thereof shall be converted on the maturity date, subject to the conversion restriction as set out below.

Early redemption: The whole of the Second Convertible Notes may be redeemed at the option of the Company in whole or in part, upon the written confirmation has been obtained from the holder(s) of the Second Convertible Notes at 90% of their principal amount without any interest. The Second Convertible Notes so redeemed shall be cancelled and may not be reissued or resold.

Initial Conversion price: 15% premium of the average closing price of the last five consecutive trading days of the Shares as quoted on the Stock Exchange before conversion or HK\$0.6325 per Share, whichever is the higher. The conversion price will subject to usual anti-dilution adjustments in certain events such as share consolidation, share subdivision, capitalization issue, capital distribution, rights issue and other issues of Shares and/or convertible securities.

The lowest conversion price of the Second Convertible Notes is HK\$0.6325 per Share has been used as the basis for calculation of the lowest Conversion price of the Second Convertible Notes. The lowest conversion price of the Second Convertible Notes of HK\$0.6325 per Share represents:

- (i) a discount of approximately 12.15% to the closing price of the Shares of HK\$0.72 per Share as quoted on the Last Trading Day;

- (ii) a discount of approximately 10.92% to the average of the closing prices of the Shares of HK\$0.71 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including Last Trading Day;
- (iii) a discount of approximately 10.92% to the average of the closing prices of the Shares of HK\$0.71 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day; and
- (iv) a premium of approximately 9.05% over the unaudited net asset value per Share attributable to the Shareholders as at 30 June 2009 of approximately HK\$0.58 per Share.

For illustrative purpose, the conversion price of the Second Convertible Notes is about HK\$0.82 per Share based on the assumption that (a) the holders of the Second Convertible Notes will convert the Second Convertible Notes immediately; and (b) the last five consecutive trading days of the Shares as quoted on the Stock Exchange including 26 November 2009 has been used as the basis for calculation of the Conversion price of the Second Convertible Notes. The conversion price of the Second Convertible Notes of HK\$0.82 per Share represents:

- (i) a premium of approximately 13.89% to the closing price of the Shares of HK\$0.72 per Share as quoted on the Last Trading Day;
- (ii) a premium of approximately 15.49% to the average of the closing prices of the Shares of HK\$0.71 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including Last Trading Day;
- (iii) a premium of approximately 15.49% to the average of the closing prices of the Shares of HK\$0.71 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day; and

- (iv) a premium of approximately 41.38% over the unaudited net asset value per Share attributable to the Shareholders as at 30 June 2009 of approximately HK\$0.58 per Share.

Conversion rights and conversion period:

The Second Convertible Notes holder(s) shall have the right to convert the whole or any part of the outstanding principal amount of the Second Convertible Notes into Shares (subject to restrictions as detailed below) at any time and from time to time on any business day prior to the maturity date of the Second Convertible Notes at the lowest conversion price of HK\$0.6325 per Share (subject to adjustments) or assuming at the initial conversion price of HK\$0.82 per Share (subject to adjustments).

Conversion Shares:

Upon the full conversion of the Second Convertible Notes at the lowest initial conversion price of HK\$0.6325 per Share, an aggregate of 417,391,304 Conversion Shares will be issued, representing approximately 72.46% of the issued share capital of the Company as at the date hereof and 21.49% of the issued share capital of the Company as enlarged by the issue of 1,366,007,904 Conversion Shares.

Upon the full conversion of the Second Convertible Notes assuming at the initial conversion price of HK\$0.82 per Share, an aggregate of 321,951,219 Conversion Shares will be issued, representing approximately 55.89% of the issued share capital of the Company as at the date hereof and 19.76% of the issued share capital of the Company as enlarged by the issue of 1,053,658,536 Conversion Shares.

First Convertible Notes and Second Convertible Notes

Conversion Shares:

Upon the full conversion of the First Convertible Notes and the Second Convertible Notes at the lowest initial conversion price of HK\$0.6325 per Share, an aggregate of 1,366,007,904 Conversion Shares will be issued, representing approximately 237.15% of the issued share capital of the Company as at the date hereof and 70.34% of the issued share capital of the Company as enlarged by the issue of 1,366,007,904 Conversion Shares.

Others terms of the Convertible Notes

- Restriction on conversion:** The Company has the absolute discretion to restrict the Convertible Notes holder(s) to exercise any conversion right attaching to the Convertible Notes and the Company will not be obliged to issue any Conversion Shares to such an extent that would result in (i) the holder(s) thereof and parties acting in concert with them (within the meaning under the Takeovers Code) will incur a bid obligation under Rule 26 of the Takeovers Code i.e. being obliged to make general offer for the Shares in accordance with the Takeovers Code, unless a waiver has been granted by the Executive; or (ii) the Company in breach of any provision of the Listing Rules, including the requirement to maintain the prescribed minimum percentage (currently being 25%) of the issued share capital of the Company held by the public (as defined in the Listing Rules), unless prior approval or waiver has been obtained from the Stock Exchange. It is the obligation of the Convertible Notes holder(s) to satisfy the Company the exercise of any conversion right attaching to the Convertible Notes would not result in the occurrence of scenario (i) and (ii) as described above.
- Voting:** Convertible Notes holder(s) shall not be entitled to receive notices of, attend or vote at any meetings of the Company by reason only of it being the holders of the Convertible Notes.
- Listing:** No application will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchange. An application will be made for the listing of and permission to deal in the Conversion Shares to be issued as a result of the exercise of the conversion rights attaching to the Convertible Notes.
- Status:** The Convertible Notes constitute direct, unconditional and unsecured obligations of the Company and rank *pari passu* and rateably without preference (with the exception of obligations in respect of taxes and certain other statutory exceptions) with all other unsecured obligations of the Company.

- Transferability:** The Convertible Notes or any part(s) thereof may be assigned or transferred upon approval of the Company subject to the conditions, approvals, requirements and any other provisions of or under (1) the Stock Exchange or their rules and regulations; (2) the approval for listing in respect of the Conversion Shares; and (3) all applicable laws and regulations.
- Conversion Price Reset:** The conversion price of the Convertible Notes can be reset (if necessary) on the last Business Day of each three calendar month period (the “**Reset Date**”) before the date of its maturity in the event that the average closing price of the Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Reset Date (the “**Reset Price**”) is lower than the then conversion price of the Convertible Notes. When such situation takes place, the then conversion price of the Convertible Notes will be adjusted downwards to the Reset Price with effect from the next Business Day, and in any case the reset conversion price should not be less than HK\$0.6325 each. The Company shall issue an announcement in the event that there are any changes in the initial Conversion Price (and any subsequent changes in the conversion price of the Convertible Notes) in the future to comply with the relevant requirements under the Listing Rules.

The terms of the Promissory Notes and the Convertible Notes have been arrived at after arm’s length negotiations between the Company and the Vendors. The Directors consider that the terms of the Promissory Notes and the Convertible Notes are fair and reasonable. The initial conversion price of the First Convertible Notes and the Second Convertible Notes were also agreed after arm’s length negotiations at 15% premium of the average closing price of the last five consecutive trading days of the Shares as quoted on the Stock Exchange before conversion or HK\$0.6325 per Share, whichever is the higher. Taking into consideration that the Group has no obligation to repay the principal amount of the Convertible Notes on the maturity date as all outstanding Convertible Notes will be converted into Shares and that the Convertible Notes will be repaid at only 90% of their principal amount on other early redemption dates, the Directors consider that the initial conversion prices of the First Convertible Notes and the Second Convertible Notes are fair and reasonable.

Conditions precedent

Completion of the Acquisition is subject to the following conditions precedent:

- (i) the passing of the necessary resolution(s) by the Shareholders in a general meeting to approve: (a) (if applicable) the increase in its authorized share capital of the Company to an amount that shall allow the Company to issue and allot the Conversion Shares; (b) the Agreement and the transactions contemplated thereunder and the implementation thereof (including but not limited to, the acquisition of the Sale Share by the Company, the issue of the Convertible Notes and the Promissory Notes and the issue and allotment of the Conversion Shares); and (c) such other matters as mandatorily required by the Stock Exchange for consummation of the transactions contemplated in the Agreement, in accordance with the requirements of the Listing Rules and the applicable laws and regulations;
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange;
- (iii) no indication being received on or before Completion from the Stock Exchange to the effect that the listing of the Shares may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of Completion or in connection with the terms of the Agreement or transactions contemplated thereunder or for any reason;
- (iv) the compliance of any other requirements under the Listing Rules or otherwise of the Stock Exchange or other regulatory authorities or any applicable laws and regulations which requires compliance by the Company or Maxipetrol HK at any time prior to Completion in relation to the transactions contemplated under the Agreement and the uninterrupted continuation of the current rights and business of Maxipetrol HK after Completion;
- (v) the Company being satisfied with the results of its due diligence review and investigation on Maxipetrol HK including without limitation to its assets, liabilities, contracts, commitments, undertakings and business, and financial, legal and taxation aspects;
- (vi) all third parties consents and waivers required to be obtained by the Company or Maxipetrol HK having been obtained in connection with the transactions contemplated under the Agreement;
- (vii) the entering of the Assignment Agreement by Maxipetrol HK and Maxipetrol on terms satisfactory to Maxipetrol HK;

- (viii) the entering of a Supplemental UTE Agreement, amending the UTE Agreement on terms satisfactory to the Company;
- (ix) the entering of the Deed of Consent by Have Result, Maxipetrol HK and Maxipetrol whereby Have Result will give certain consents to Maxipetrol in respect of the admission Maxipetrol HK as a new partner to the UTE;
- (x) the entering of the Letter of Undertaking dated 10 November 2009 by Maxipetrol to Maxipetrol HK, together with a confirmation letter dated 26 November 2009 made between Maxipetrol and Maxipetrol HK, whereby Maxipetrol will give certain rights to Maxipetrol HK in the event Have Result is excluded from the UTE Agreement;
- (xi) the representations, warranties and undertakings made or given by each of the Vendors pursuant to the Agreement remaining true and accurate, and not misleading, in all material respects as at Completion;
- (xii) the representations, warranties and undertakings made or given by the Company pursuant to the Agreement remaining true and accurate, and not misleading, in all material respects as at Completion;
- (xiii) the Company having obtained a legal opinion issued by an Argentina legal adviser acceptable to the Company in respect of (a) the undertakings of Maxipetrol HK in Argentina (including but not limited to the concessions of the Areas held by Chañares, the legality, validity and enforceability of the Chañares JV Agreement, the Assignment Agreement, the UTE Agreement, the Supplemental UTE Agreement and Maxipetrol HK's rights and interest in the Areas); and (b) Maxipetrol confirming that it has been duly incorporated and is in good standing and that it has the full power and authority to enter into the Agreement, which is in both form and substance and in all respects satisfactory to the Company;
- (xiv) the delivery by the Vendors to the Company of (i) certificate of incumbency; and (ii) certificate of good standing of Maxipetrol HK which certify that Maxipetrol HK has been duly incorporated and is in good standing;
- (xv) the Company having obtained a draft report on the Areas issued by a technical adviser nominated by the Company showing the best estimate of the gross (100%) contingent oil reserves in the Areas to be not less than 145,000,000 barrels, which complies with the relevant requirements in the Listing Rules and in all respect to the satisfaction of the Company;
- (xvi) the Company having obtained a valuation report on Maxipetrol HK issued by a valuer appointed by the Company, which complies with the relevant requirements in the Listing Rules, showing that the valuation of Maxipetrol HK is not less than US\$233 million and in all respects to the satisfaction of the Company; and

(xvii) no material adverse change on the financial position, management, business or property, results of operations, legal or financing structure, business prospects or assets or liabilities of Maxipetrol HK having occurred.

The Company may at its absolute discretion at any time waive the above conditions (iv) (in so far as matters relating to Maxipetrol HK is concerned), (v) – (x), (xiii) – (xvi) by written notice to the Vendors. The Vendors may at their absolute discretion at any time waive condition (xii) above by written notice issued by any one of the Vendors (on its own behalf and on behalf of the remaining Vendors as each of the remaining Vendors hereby authorises) to the Company. As at 10 October 2009, Maxipetrol, Have Results and Maxipetrol HK entered into the Deed of Consent and condition (ix) as stated above has been satisfied. In addition, as at 23 October 2009, Maxipetrol HK and Maxipetrol entered into the Assignment Agreement and condition (vii) as stated above has also been satisfied.

If the conditions above are not fulfilled or waived (as the case may be) on or before 31 December 2010 or such other date as the Company and the Vendors may agree in writing and/or the conditions (xi), (xii) and (xvii) do not remain fulfilled (and is not waived by the Company or, where applicable, the Vendors) on the date of Completion, all rights, obligations and liabilities of the parties under the Agreement shall cease and determine and none of the parties shall have any claim against the other save and except any antecedent breach.

Completion

Completion shall take place on the date falling on the third business day after the fulfillment or, where applicable, waiver of the relevant conditions precedent.

EFFECT ON SHAREHOLDING OF THE COMPANY

The following chart depicts the possible effects of the Acquisition on the shareholding structure of the Company:

	As at the date of this announcement		Upon the conversion of the Convertible Notes in full at the Conversion Price of HK\$0.82 (for illustration purpose only) (Notes 2&3)		Immediately after the issue of the maximum number of Conversion Shares upon the conversion of the Convertible Notes in full at the lowest Conversion Price of HK\$0.6325 (Subject to the conversion restriction terms) (Note 2)		Immediately after the issue of the maximum number of Conversion Shares upon the conversion of the Convertible Notes in full at the lowest Conversion Price of HK\$0.6325 (for illustration purpose only) (Notes 2&3)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Mayer Corporation Development International Limited (Note 1)	200,000,000	34.72	200,000,000	12.27	200,000,000	10.30	200,000,000	10.30
Mr. Lalin	–	–	777,600,000	47.72	285,207,165	14.69	1,008,113,833	51.91
Mr. Martin	–	–	65,326,829	4.01	23,960,493	1.23	84,692,490	4.36
Maxipetrol	–	–	210,731,707	12.93	77,291,915	3.98	273,201,581	14.07
Sub-total of the Vendors	–	–	1,053,658,536	64.66	386,459,573	19.90	1,366,007,905	70.34
Public Shareholders	376,000,000	65.28	376,000,000	23.07	1,355,548,331	69.80	376,000,000	19.36
Total	576,000,000	100.00	1,629,658,536	100.00	1,942,007,904	100.00	1,942,007,904	100.00

Notes:

1. Mayer Corporation Development International Limited is wholly-owned by Mayer Steel Pipe Corporation which is a listed company in Taiwan.
2. It is a term of the Convertible Notes that the holder(s) thereof shall not exercise any conversion right attaching to the Convertible Notes to such an extent that would result in (i) the holder(s) thereof and parties acting in concert with them (within the meaning under the Takeovers Code) will incur a bid obligation under Rule 26 of the Takeovers Code i.e. being obliged to make general offer for the Shares in accordance with the Takeovers Code, unless a waiver has been granted by the Executive; or (ii) the Company in breach of any provision of the Listing Rules, including the requirement to maintain the prescribed minimum percentage (currently being 25%) of the issued share capital of the Company held by the public (as defined in the Listing Rules), unless prior approval or waiver has been obtained from the Stock Exchange.
3. This scenario is for illustration purpose only and may never happen in light of the conversion restriction clauses imposed under the terms of the Convertible Notes.

INFORMATION ON MAXIPETROL HK

Maxipetrol HK was incorporated in the British Virgin Islands. As at the date of the Agreement, Maxipetrol HK was owned as to 73.8% by Mr. Lalin, 6.2% by Mr. Martin and 20% by Maxipetrol. Maxipetrol HK and is principally engaged in the production of petroleum in the Areas pursuant to the Assignment Agreement. According to the unaudited management accounts of Maxipetrol HK, it recorded a loss before and after taxation of approximately HK\$24,210 during the period from 21 December 2007 (date of incorporation) and up to 31 August 2009, representing mainly the legal and professional fee incurred by Maxipetrol HK in relation to the Operating Interest in the Areas. As at 31 August 2009, the net liabilities of Maxipetrol HK amounted to approximately HK\$23,587.

The Vendors, Chanares, Have Result and the UTE

Mr. Lalin and Mr. Martin are experienced Argentinian investors. Maxipetrol is a company incorporated in Argentina and is owned by three Argentinian shareholders. Its principle business is to invest in the drilling of new wells in the Areas and production of petroleum pursuant to the Chanares JV Agreement.

Chañares is a private stock corporation organized under the laws of Argentina Republic registered with the Public Registry of Commerce and it is owned by three shareholders. Its principle business includes the exploitation of oil well concessions and it holds the Concessions under which it has the right to operate the Areas and to freely dispose the hydrocarbon productions extracted from the Areas.

Have Result is a company incorporated in the British Virgin Islands wholly owned by a Hong Kong listed company and it owns 51% of the rights on the future production as a consequence of new drillings and the operation of new wells in the Areas under the Chanares JV Agreement. Its principle business is to finance all the investments regarding both drilling and infrastructure which the UTE will undertake pursuant to the Chañares JV Agreement.

The Board confirms that the ultimate owners of Maxipetrol, Chañares and Have result are all independent and each is not a connected person of the Company.

The UTE is a temporary union of enterprises initially made between Maxipetrol and Have Result. Its principle business is (i) to exercise the rights and fulfill the obligations corresponding to the position of Maxipetrol in the Chañares JV Agreement, including but not limited to the commercialization of the hydrocarbons obtained under the Chañares JV Agreement; (ii) to carry out all committed investments in the Areas; and (iii) to benefit from the exploitation of the works performed and hydrocarbons and other productions thereof obtained as established in the Chañares JV Agreement.

The Areas

The Areas comprise the Puesto Pozo Cercado Area and the Chañares Herrados Area which are adjacent to each other, located in the Cuyana Basin, Mendoza Province of Argentina, covering approximately 210 square kilometers. According to a draft legal opinion prepared by the Argentina legal adviser, Chañares was awarded the hydrocarbons exploitation concession of the Puesto Pozo Cercado Area by Resolution No. 782 dated 26 June 1992 issued by the Ministry of Economy and Public Works of the National Government of Argentina and approved by National Decree No. 1276. Chañares was also assigned the concession for the Chañares Herrados Area from the previous owner and such assignment has been authorised by Administrative Decision No. 21 from Chief of Cabinet of the National Government of Argentina in 1996. Both concessions have a term of 25 years commencing from 1992 and 1996 respectively, with a possibility of a 10-year extension. According to legal advice on Argentine laws obtained by the Company, the extension of the term of the concessions is subject to a number of factors, including the fulfillment by the concessionaire of its obligations under the documents granting the concessions and applicable laws and the reaching of agreement between the concessionaire and the Mendoza Government on the terms of the extension such as the amount of investments to be made. The Board does not foresee any major difficulties in respect of the extension of the concessions in the future.

Operating interest of Maxipetrol HK in the Areas

On 14 November 2007, the Chañares JV Agreement was entered into between Maxipetrol and Chañares for the purposes of the development of incremental production in the Areas. Pursuant to the Chañares JV Agreement, Maxipetrol would be responsible for the investment in connection with the drilling of new wells and production of petroleum. Chanares would not be responsible for any funding under the Chanares JV Agreement and would be the administrator of the Joint Venture and the operator of the Areas, and it must perform this activity pursuant to the general patterns and rules inherent to this industry within the scope of the procedures under the JV Agreement and of any procedure that it may determine in the future, and in compliance with the provisions of the environmental and mining enforcement authority. Chanares would be also responsible to commercialize the production obtained from the wells drilled or the exploitation of the works carried out under the JV Agreement to which it may be entitled. The petroleum produced from the wells drilled within the scope of the Chañares JV Agreement, the profit, production as well as any other benefit obtained from the exploitation of the works performed under the Chañares JV Agreement, shall be distributed as to 28% to Chañares and as to 72% to Maxipetrol. Under the Chañares JV Agreement, Maxipetrol was expressly allowed to individually enter into agreements of technical and financial assistance with capital and technology investors in connection with the petroleum production in the Areas, provided however that such capital and technology investors shall not become members of the joint venture created by Maxipetrol and Chañares under the Chañares JV Agreement.

Subsequent to the Chañares JV Agreement, Maxipetrol entered into the Have Result Assignment Agreement with Have Result on 24 November 2007 (as amended and supplemented on 12 December 2007, 28 December 2007 and 19 December 2008), pursuant to which Maxipetrol assigned to Have Result part of its rights on the future production as a consequence of new drillings in the Areas. Maxipetrol and Have Result then entered into the UTE Agreement dated 6 August 2009 pursuant to which the UTE is organised in which Have Result has a 70.83% interest and Maxipetrol a 29.17% interest for carrying out the operation of petroleum production in the Areas.

On 26 November 2009, the Company and the Vendors entered into the Agreement. A condition precedent to the Agreement is the entering of the Assignment Agreement by Maxipetrol HK and Maxipetrol on terms satisfactory to Maxipetrol HK whereby Maxipetrol will assign to Maxipetrol HK 20% of its rights on the future production as a consequence of new drillings and the operation of new wells in the Areas under the Chañares JV Agreement in consideration of Maxipetrol HK undertaking the investments and works required of Maxipetrol under the Chañares JV Agreement. Another condition precedent to the Agreement is the entering of a Supplemental UTE Agreement.

The principal terms of the Have Result Assignment Agreement as supplemented by the UTE Agreement, the Assignment Agreement and the Deed of Consent are summarised below:

- (i) Under the Assignment Agreement, Maxipetrol assigned in favor of Maxipetrol HK part of its rights on the future production as a consequence of new drillings and the operation of new wells in the Areas, which have been awarded in its favor under the Chañares JV Agreement, such that the future production obtained in the Areas pursuant to the Assignment Agreement and Chañares JV Agreement shall be shared as to 51% by Have Result, as to 20% by Maxipetrol HK, as to 1% by Maxipetrol, and as to the remaining 28% by Chañares. Under the terms of the UTE Agreement and the Deed of Consent, the interests of Have Result, Maxipetrol HK and Maxipetrol will be consolidated into the UTE, which will be responsible for commercialisation of the hydrocarbons allocated to Have Result, Maxipetrol HK and Maxipetrol;
- (ii) Pursuant to the Deed of Consent, subject to certain conditions including but not limited to the entering into of the Supplemental UTE Agreement, Have Result agrees that Maxipetrol HK be admitted to the UTE as a new party so that the UTE will be reorganised in which Have Result has a 70.83% interest, Maxipetrol HK has a 27.78% interest and Maxipetrol has a 1.39% interest for carrying out the operation of petroleum production in the Areas;
- (iii) the UTE will undertake all the necessary investments regarding both drillings and infrastructure in the Areas;

- (iv) ordinary and extraordinary operating cost in relation to petroleum production in the Areas will be borne as to 28% by Chañares and 72% by the UTE;
- (v) Have Result shall be responsible for financing all the investment in drillings and infrastructure in the Areas and 72% of the operating costs for petroleum production (other than the 28% of operating costs to be borne by Chañares). As from the date the wells drilled under the terms of the Assignment Agreement go into production, Maxipetrol HK and Maxipetrol shall respectively reimburse Have Result for 27.78% and 1.39% of the aggregate investments made in the Areas through the financing of Have Result;
- (vi) the UTE shall have the power to designate the representative allocated to Maxipetrol in the operating committee set up in accordance with the Chañares JV Agreement;
- (vii) Maxipetrol undertook to obtain Have Result's prior written authorisation in respect of any decision to be adopted by Maxipetrol as member of the Chañares JV Agreement;
- (viii) Maxipetrol undertook to promptly inform Maxipetrol HK and Have Result about any notice it may receive from Chañares in connection with the Chañares JV Agreement including, without restriction, any communication, notice or demand related to the compliance or non-compliance with Maxipetrol's obligations under the Chañares JV Agreement, and to furnish Maxipetrol HK and Have Result with a copy of the document received from Chañares and any other related documentation. Furthermore, Maxipetrol shall adopt, in due time and manner, all such steps as may be required to cure any default for which it may be deemed liable; and
- (ix) the management, supervision and control of the UTE's business and affairs are to be carried out by an executive committee, which shall be the highest authority of the UTE, and in which Have Result has the right to appoint three members, Maxipetrol HK has the right to appoint one member.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Have Result, Maxipetrol and Chañares is a third party independent of the Company and its connected persons and they are not connected person of each other.

Investment plans

Pursuant to the Assignment Agreement and the UTE Agreement, the UTE shall be in charge of defining all technical and financial aspects of investment plans of the Areas regarding, among other things, the drilling of production wells or injection wells, the making of infrastructure works for the treatment and transportation of crude oil, geophysical or other studies, the treatment, transportation, final disposal of production

water, and the use of hydrocarbons. Such investment plans must consist of the drilling of at least five production wells per calendar year, together with the infrastructure works that are necessary for the incremental production that the wells to be drilled may generate. At least two of the wells to be drilled each calendar year must reach the deep reservoir formation in the Areas.

Current status of Exploitation

According to the information provided by Have Result, at the date of this Announcement, CH-1052, a shallow well, drilled to 3,600 meters in depth, has commenced production since 19 November 2009 and its daily production is approximately 370 to 440 barrels of crude oil. CH-1053, another shallow well drilled to 3,600 meters in depth, and CH-25 bis, a deep well drilled to 4,685 meters in depth in Potrerillos Formation, have finished drilling and are now undergoing wells cementing. They are planned to commence production in mid December and end of December respectively. CH-1055, the fourth and a shallow well, which reached 700 meters in depth, has commenced drilling as at 23 November 2009. Drilling of this fourth well is expected to be completed by the end of 2009. Drilling of CH-7 bis, a deep well, will commence before end of 2009.

RISK FACTORS

Potential competition, investment plans subject to approval and no track record of operation

Chañares has signed a similar drilling agreement with another company before it entered into the Chañares JV Agreement with Maxipetrol. This sets up a potential competition for drilling the undeveloped locations. According to the Chañares JV Agreement, Chañares may drill on its exclusive account, but may not enter into other cooperation agreements with companies other than such existing company and Maxipetrol. However, there is no guarantee that some or even a significant portion of resources might not be drilled by that company or Chañares. In addition, although the UTE is responsible for the technical aspect of the petroleum production in the Areas (including the design and drillings of the wells), the investment plans drawn up by the UTE are subject to Chañares' approval, and such approval is not guaranteed.

Potential risk is also involved in the hydrocarbon future productions as a consequence of new drillings and the operation of new wells in the Areas pursuant to the Chanares JV Agreement. This is due to the lack of track record of operation in relation to the new drillings and the operation of new wells in the Areas. As mentioned later in this Announcement, the first well has only commenced production since November 2009. Therefore, no profit contribution has been recorded so far.

Relationship with Maxipetrol and Chañares

Pursuant to the Chañares JV Agreement entered into between Maxipetrol and Chañares, Maxipetrol's shareholders undertake not to sell or transfer their shares in Maxipetrol prior to 2013. Starting from 2013, should Maxipetrol's shareholders decide to sell their interests in Maxipetrol, Chañares shall have the first right of refusal. In the case that Maxipetrol fails to comply with such obligations or any other obligations under the Chañares JV Agreement, it shall forfeit all rights in respect of the works in progress and all rights to continue making investment plans in the Areas, and consequently it may not continue drilling in the Areas. Maxipetrol will then only preserve its rights in the wells that are already drilled. This imposes risk on the long term viability of the operating rights assigned to Maxipetrol HK from Maxipetrol.

New business segment of the Group

The Acquisition constitutes an investment in a new business sector, being petroleum exploitation and production. The Acquisition will not result in a change of business of the Company, but will result in a new business being injected into the Company. Therefore, the Board confirms that the Company will continue its existing business.

The new business, coupled with the regulatory environment, may pose significant challenges to the Company's administrative, financial and operational resources. The Company has no relevant experience and expertise to run and manage the new business. As mentioned, the UTE will undertake all the necessary investments regarding both drilling and infrastructure, and Have Result shall be responsible in financing all the investments in drilling and infrastructure. Unless Have Result fails to perform such responsibilities under the Supplemental UTE Agreement, the Company will then consider to takeover such operating right to run and manage the new business. Since the Company does not have significant experience in the new business, it is not in a position to assure the timing and amount of any return or benefits that may be received from the new business. If any exploration or exploitation projects in which the Company attempts to develop does not progress as planned, the Company may not recover the funds and resources it has spent, and this may affect the Company.

Although the Company has no existing working relationship with other parties, it will take steps to ascertain that the respective legal rights of the working parties under the Supplemental UTE Agreement and the Assignment Agreement are well covered.

Fluctuations on petroleum prices

The fluctuations in supply and demand of petroleum are caused by numerous factors beyond the Company's control, which include but not limited to global and domestic economic and political conditions and competition from other energy sources, and the growth and expansion in industries with high petroleum demand. There is no assurance that the international demand for petroleum and petroleum-related products will continue to grow, or that the international demand for petroleum and petroleum-related products will not experience excess supply.

Significant and continuous capital investment

The petroleum business requires significant and continuous capital investment. The major petroleum exploration and exploitation projects may not be completed as planned, may exceed the original budgets and may not achieve the intended economic results or commercial viability. Actual capital expenditures for the new business may significantly exceed the Company's budgets because of various factors beyond the Company's control, which in turn may affect the Company's financial condition.

Laws and regulations

The new business is subject to extensive governmental regulations, policies and controls. There can be no assurance that the relevant government will not change such laws and regulations or impose additional or more stringent laws or regulations. Failure to comply with the relevant laws and regulations in the energy development and petroleum exploitation projects may adversely affect the Company.

Country risk

The Company is entering a new business in Argentina, in which the Company does not have any business presence. There can be a risk relating to the likelihood that changes in the business environment will occur which may affect the profitability of doing business in Argentina. The change of political and economic conditions in Argentina may also adversely affect the Company.

REASONS FOR THE ACQUISITION

The Group is principally engaged in manufacturing and trading of steel pipes, steel sheets and other products made of steel, property investment and leasing of aircrafts. As discussed in the 2008 annual report of the Company, the Company expected that the rise in operating costs, oil prices and interest rate drops will continue, and the increasingly intense market competition will present more challenges to the Group's operation. Accordingly, the Group welcomed every investment opportunities which are beneficial to its long term development, with an aim to generate the best return from investments and generate the best returns to the investors of the Company.

An independent third party (a Taiwanese as well as an Argentina Citizen), who is not connected to the Company, introduced the Vendors to the Company in early 2009. Subsequently, the Company engaged the legal advisers and other professionals to negotiate with the Vendors in relation to the Acquisition.

According to the statistics published by Central Intelligence Agency World Factbooks, Argentina was estimated to have around 2.186 billion barrels of proven oil reserves in early 2008. It was estimated to produce 790,800 barrels of oil per day and consumed 440,000 barrels per day in 2007. Argentina recorded real gross domestic products growth rate of 8.5%, 8.7% and 7.1% in 2006, 2007 and 2008 respectively. Industrial sector contributed over 32% of the overall gross domestic products of the country in 2008. The Directors are of the view that the Acquisition would broaden the source of income of the Group and diversify the Group's business portfolio to include petroleum production in the South American market.

The Board is also aware of the risk factors associated with the Acquisition as set out in the paragraph headed "Risk factors" above. The Board is advised by the Vendors that Have Result, a member of the UTE, has commenced drilling of its first well in the Areas and, while the potential competing petroleum producer in the Areas has suspended drilling since last year, Have Result has already submitted an investment and drilling program to Chañares for its approval. No material obstacle in obtaining such approval from Chañares has been observed. With the appropriate strategy and investment plan in the Areas, the Board is of the view that the risks associated with the Acquisition are manageable. In addition, as the Consideration is determined based on a valuation prepared with reference to the pricing of other reported petroleum or oilfield related transactions, the inherent risks (such as the fluctuation of oil price in the world market and recoverability of the oil resources) related to acquisitions of similar nature has been, to a considerable extent, incorporated in the valuation. Although the Acquisition may result in dilution to existing shareholders, it may not necessary result in dilution to existing shareholders' value. As the Consideration represents a discount of approximately 28.5% to the indicative valuation, the Directors consider that the Consideration is fair and reasonable.

Based on the above, the Directors consider that the terms of the Acquisition are fair and reasonable and that the Acquisition is in the interests of the Company and the Shareholders as a whole.

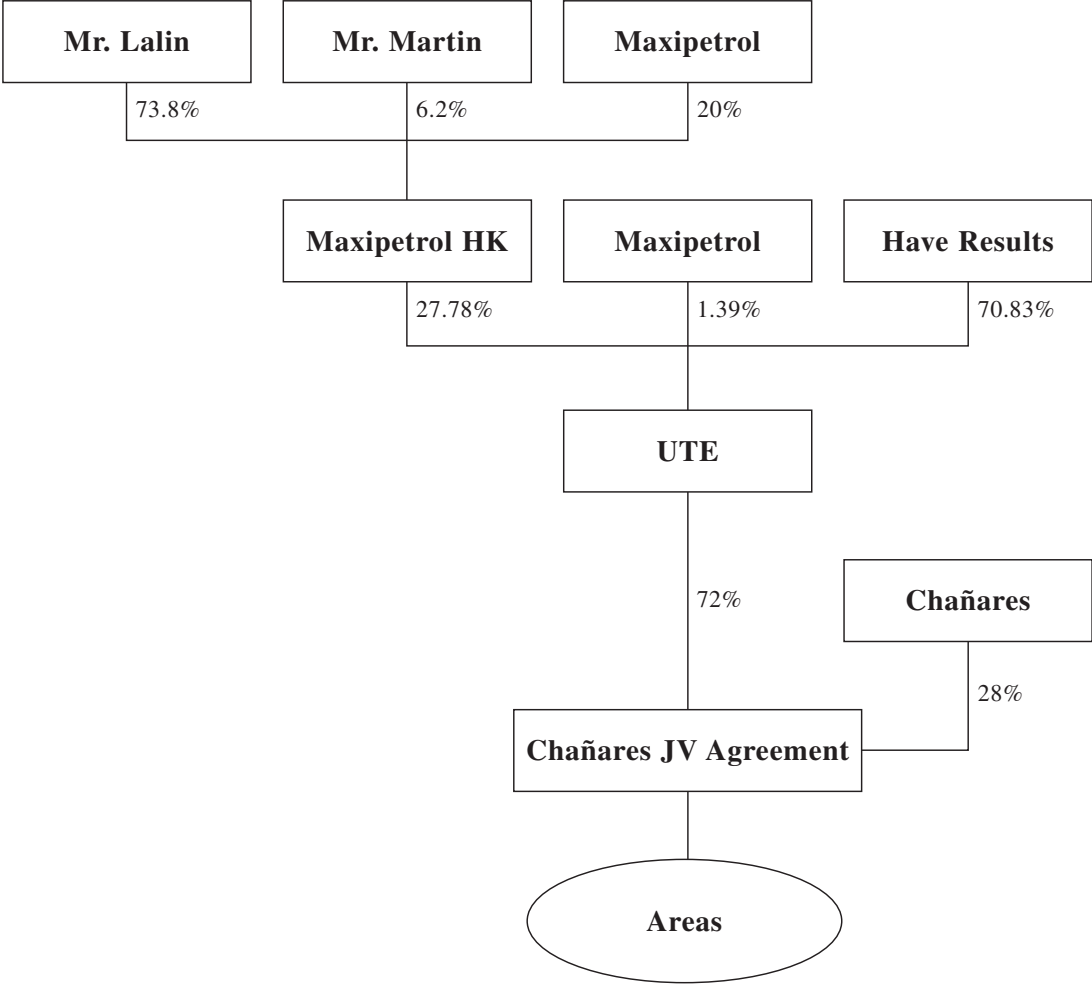
AT COMPLETION

The Company confirms that upon completion of the Acquisition the Board intends to appoint new directors to oversee the operation and none of the Vendors will become a director of the Company. Under the Agreement, the Vendors procure that Maxipetrol HK shall not, without the prior written consent of the Company, appoint any directors save those person(s) nominated by the Company. There are no specific provisions in the Agreement which states that the Vendors will have rights to appoint new directors to oversee the operation. In addition, the Memorandum and Articles of Association of the Company does not specifically provide that shareholders holding certain number of shares will have the right to appoint directors to the Board. However, it provides that an ordinary resolution is required for the appointment of directors. Since the Vendors will only be holding up to 19.90% of the Shares upon conversion of the Convertible Notes, the Vendors will not have the right to appoint directors to the Board.

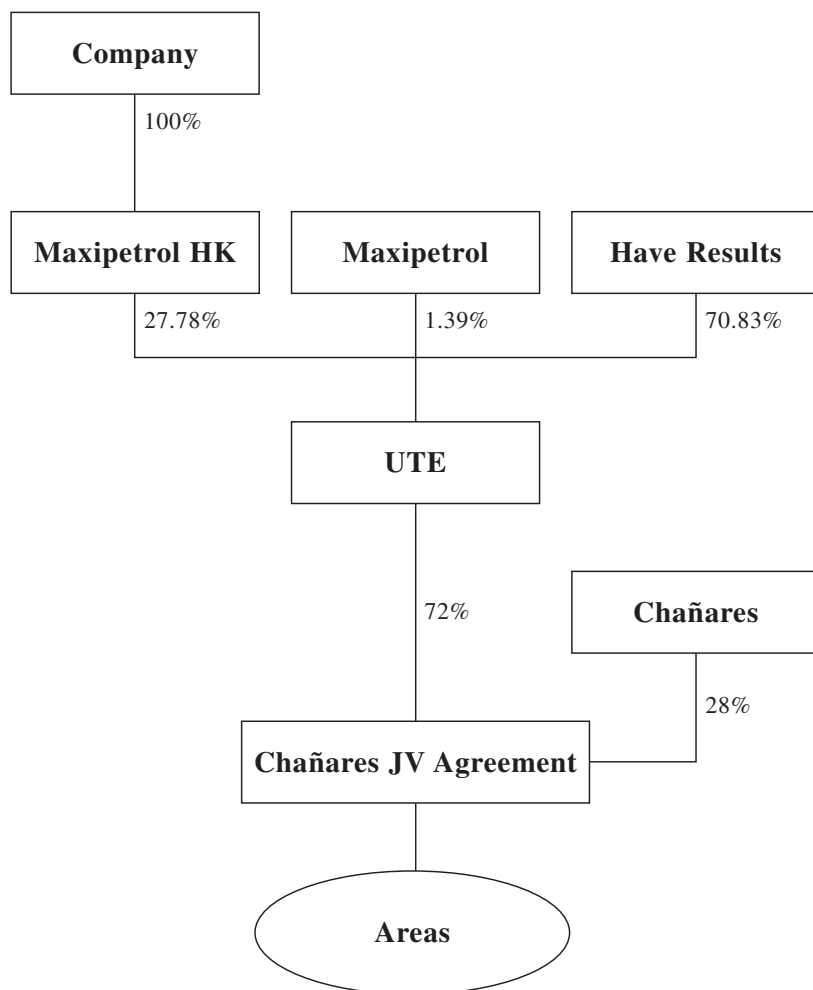
SHAREHOLDING CHARTS

The following charts show the shareholding structure of Maxipetrol HK as at the date of this Announcement and immediately upon Completion, and the relationship between the parties involved in the Acquisition.

Before the Acquisition



After the Acquisition



LISTING RULES IMPLICATIONS

The Acquisition constitutes a very substantial acquisition for the Company under the Listing Rules and is subject to approval by the Shareholders. The EGM will be convened to seek approval from the Shareholders for the Acquisition and the transactions contemplated under the Agreement. No Shareholder is required to abstain from voting on the resolution(s) to be proposed at the EGM regarding the Acquisition. The Board confirms that there are no arrangement or understanding or agreement or negotiation relating to asset disposal or further asset acquisition by the Company which are discloseable under Rule 13.09 or 13.23.

INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY

The Board also proposes to increase the Company's authorised share capital from HK\$200,000,000 divided into 2,000,000,000 Shares to HK\$300,000,000 divided into 3,000,000,000 Shares by the creation of an additional 1,000,000,000 unissued Shares. Such unissued Shares, upon issue and fully paid, shall rank pari passu in all respects with the Shares in issue. The size of the proposed increase in authorised share capital of the Company is determined after taking into account the allotment and issue of the Convertible Share(s) pursuant to the Agreement, as well as the Company's need for flexibility to issue new Shares for future investments and developments.

The proposed increase in authorised share capital of the Company is conditional upon, the passing of an ordinary resolution by the Shareholders approving the same at the EGM. The Board is of the view that the proposed increase in authorised share capital of the Company will provide flexibility to the Company in determining its future business plan, and is therefore in the interests of the Company and the Shareholders as a whole. No Shareholder is required to abstain from voting on the resolution(s) to be proposed at the EGM regarding the proposed increase in authorised share capital of the Company.

GENERAL

A circular containing, among other things, details of the Acquisition and the transactions contemplated under the Agreement, financial information of the Group and Maxipetrol HK, a technical report on the Areas in accordance with the requirements under Chapter 18 of the Listing Rules, a valuation report on Maxipetrol HK, details of the proposed increase in share capital of the Company and the notice of the EGM will be despatched to Shareholders as soon as practicable.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 2:30 p.m. on 26 November 2009 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on 9 December 2009.

DEFINITIONS

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

“Acquisition”	the acquisition of the entire issued share capital of Maxipetrol HK by the Company from the Vendors pursuant to the Agreement
“Agreement”	the agreement dated 26 November 2009 entered into among the Company and the Vendors in relation to the Acquisition

“Areas”	the Puesto Pozo Cercado Area and the Chañares Herrados Area covering an aggregate area of 210 square kilometers located in Cuyana Basin, Mendoza Province of Argentina, of which Chañares is the concessionaire of the exploitation concessions granted by the relevant government authority of Argentina
“Assignment Agreement”	the agreement for the assignment of rights, investment and technical cooperation in relation to the Areas dated 23 October 2009 entered into between Maxipetrol HK and Maxipetrol prior to Completion
“BMI”	BMI Appraisals Limited, an independent valuation firm
“Board”	the board of Directors
“Chañares”	Chañares Herrados Empresa de Trabajos Petroleros S.A., the holder of the concessions of the Areas
“Chañares JV Agreement”	a joint venture agreement dated 14 November 2007 entered into between Chañares and Maxipetrol in connection with the Areas
“Company”	Mayer Holdings Limited, a company incorporated in the Cayman Islands with limited liabilities and the shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration payable in respect of the Acquisition pursuant to the Agreement
“Conversion Share(s)”	the new Share(s) which shall be issued and allotted to the holder(s) of the Convertible Notes upon exercise of the conversion rights attached to the Convertible Notes
“Convertible Note(s)”	the convertible note(s) in the aggregate principal amount of HK\$864,000,000 (including both First Convertible Notes and Second Convertible Notes) to be issued by the Company to the Vendors or their respective nominee(s) as part of the Consideration

“Deed of Consent”	a deed of consent dated 10 October made between Have Result, Maxipetrol HK and Maxipetrol whereby Have Result will give certain consents to Maxipetrol in respect of the admission Maxipetrol HK as a new partner to the UTE
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the proposed increase in authorised share capital of the Company, the Acquisition and the transactions contemplated under the Agreement
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates from the time being
“First Convertible Notes”	the 5-year 1% convertible note(s) in the aggregate principal amount of HK\$600,000,000 to be issued by the Company to the Vendors or their respective nominee(s) as part of the Consideration
“Group”	the Company and its subsidiaries
“Have Result”	Have Result Investments Limited (有成投資有限公司), a company incorporated in the British Virgin Islands
“Have Result Assignment Agreement”	the agreement entered into between Maxipetrol and Have Result on 24 November 2007 (as amended and supplemented on 12 December 2007, 28 December 2007 and 19 December 2008) for the assignment of rights by Maxipetrol to Have Result and the investment and technical cooperation between the parties in relation to the Areas
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	26 November 2009 before 2:30 p.m., being the last trading day prior to the suspension of trading the Shares of the Company on the Stock Exchange

“Letter of Undertaking”	a letter of undertaking dated 10 November 2009 made by Maxipetrol to Maxipetrol HK, together with a confirmation letter dated 26 November 2009 made between Maxipetrol and Maxipetrol HK, whereby Maxipetrol will give certain rights to Maxipetrol HK in the event Have Result is excluded from the UTE Agreement;
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maxipetrol”	Maxipetrol-Petroleros de Occidente S.A. (formerly known as Oxipetrol-Petroleros de Occidente S.A.), one of the Vendors who owns 20.0% of the equity interests of Maxipetrol HK
“Maxipetrol HK”	a company incorporated in the British Virgin Islands and is owned as to 73.8% by Mr. Lalin, 6.2% by Mr. Martin and 20% by Maxipetrol
“Mr. Lalin”	Mr. Hector Daniel Lalin, one of the Vendors who owns 73.8% of the equity interests of Maxipetrol HK
“Mr. Martin”	Mr. Nereo Nestor Martin, one of the Vendors who owns 6.2% of the equity interests of Maxipetrol HK
“NSAI”	Netherland, Sewell & Associates, Inc., a technical adviser with appropriate qualification appointed by the Company to perform technical review on the petroleum resources in the Areas
“Operating Interests”	the hydrocarbon future productions as a consequence of new drillings and the operation of new wells in the Areas under the Chanares JV Agreement.
“Promissory Note(s)”	the HK\$400,000,000 3-year promissory note(s) to be issued by the Company to the Vendors or their nominee(s) at Completion as part of the Consideration

“Sale Shares”	the 1,000 shares of par value of US\$1.0 each in the share capital of Maxipetrol HK, representing the entire issued share capital of Maxipetrol HK prior to Completion
“Second Convertible Notes”	the 8-year 2% convertible note(s) in the aggregate principal amount of HK\$264,000,000 to be issued by the Company to the Vendors or their respective nominee(s) as part of the Consideration
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental UTE Agreement”	the temporary union of enterprises agreement to be entered into between Maxipetrol, Have Result and Maxipetrol HK to vary the terms of the UTE Agreement
“Takeovers Code”	The Code on Takeovers and Mergers
“UTE”	the temporary union of enterprises organised under the terms of the UTE Agreement in the name of “Have Result Investments Limited – Maxipetrol Petroleros de Occidente S.A. Temporary Union of Enterprises”. Upon the entering into of the Supplemental UTE Agreement, the temporary union of enterprises will be renamed as “Have Result Investments Limited – Maxipetrol Petroleros de Occidente S.A. – Maxipetrol (Hong Kong) Limited Temporary Union of Enterprises”
“UTE Agreement”	the temporary union of enterprises agreement entered into between Maxipetrol and Have Result dated 6 August 2009 in connection with the respective rights and obligations and the cooperation among the parties thereto in connection with the petroleum production in the Areas under the Have Result Assignment Agreement
“Vendors”	Mr. Lalin, Mr. Martin and Maxipetrol

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

For and on behalf of the Board
Mayer Holdings Limited
Hsiao Ming-chih
Chairman

Hong Kong, 8 December 2009

As at the date of this announcement, the executive directors of the Company are Mr. Hsiao Ming Chih, Mr. Lai Yueh-hsing, Mr. Lo Haw, Mr. Cheng Dar-terng, Mr. Chiang Jen-chin and Mr. Lu Wen-yi; the non-executive director of the Company is 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 purposes only*