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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)

**(1) VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION
IN RELATION TO THE DISPOSAL OF THE ENTIRE EQUITY
INTERESTS IN MEI KONG SHIH YE LIMITED
AND
(2) REFRESHMENT OF GENERAL MANDATE
AND
(3) RESUMPTION OF TRADING**

Financial Adviser to the Company

 **Baron Capital Limited**

THE DISPOSAL

The Board is pleased to announce that on 13 August 2010 (after trading hours), the Vendor, a directly wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser, an ultimate beneficial controlling Shareholder, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 100% equity interest in Mei Kong, at the Consideration of NT\$260,473,851 (equivalent to approximately HK\$63,399,000) in cash.

As at the date of this announcement, Mei Kong is an indirect wholly-owned subsidiary of the Company. Mei Kong is an investment holding company which principally used to be engaged in property investment. Upon Completion, Mei Kong will cease to be a subsidiary of the Company. The financial results, assets, liabilities and cash flows of Mei Kong will be deconsolidated from the Group's consolidated financial statements.

* For identification purpose only

REFRESHMENT OF GENERAL MANDATE

Since the granting of the General Mandate to the date of this announcement, the General Mandate has been utilized as to 115,200,000 Shares, representing 100% of the aggregate number of Share which may be allotted and issued under the General Mandate. The Company therefore proposes to seek the approval of the Independent Shareholders to refresh the General Mandate at the EGM. The Purchaser, being the ultimate beneficial controlling Shareholder, and its associates would abstain from voting in favour of the relevant resolution in approving the refreshment of the General Mandate pursuant to Rule 13.36(4) of the Listing Rules.

IMPLICATIONS OF THE LISTING RULES

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal for the Company under the Listing Rules. The Purchaser is the ultimate beneficial controlling Shareholder and thus, the Purchaser, is regarded as a connected person of the Company. Accordingly, the Disposal contemplated under the Disposal Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one of the applicable percentage ratios (other than the profits ratio) is more than 25% and the Consideration is more than HK\$10 million, the Disposal also constitutes a non-exempt connected transaction of the Company under Rule 14A.16(5) of the Listing Rules and is subject to the requirements of reporting, announcement and approval of the Independent Shareholders voting at a general meeting pursuant to Rules 14A.17 and 14A.18 of the Listing Rules. In view of the interests of the Purchaser in the Disposal Agreement, the Purchaser and its associates will be required to abstain from voting on the resolution in relation to the Disposal Agreement and the transactions contemplated thereunder at the EGM. Save and except to the foregoing, no other Shareholder will be required to abstain from voting on the relevant resolution at the EGM to approve the Disposal.

The Independent Board Committee has been established to consider, and to advise the Independent Shareholders on, the fairness and reasonableness of the terms of the Disposal Agreement and the Disposal, and the refreshment of the General Mandate. An independent financial adviser will be appointed in due course to make recommendations to the Independent Board Committee and the Independent Shareholders in this regard.

GENERAL

A circular containing, among other things, (i) further details of the Disposal, the refreshment of General Mandate, the financial information of Mei Kong; (ii) the recommendation from the Independent Board Committee; (iii) the letter of advice from independent financial adviser to the Independent Board Committee and Independent Shareholders relating to the Disposal Agreement, the Disposal and the refreshment of General Mandate; and (iv) the notice of the EGM will be despatched to the Shareholders no later than 8 September 2010.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 16 August 2010 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 19 August 2010.

INTRODUCTION

The Board is pleased to announced that on 13 August 2010 (after trading hours), the Vendor, a directly wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser, an ultimate beneficial controlling Shareholder, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 100% equity interest in Mei Kong, at the Consideration of NT\$260,473,851 (equivalent to approximately HK\$63,399,000) in cash.

THE DISPOSAL AGREEMENT

Set out below are the principal terms of the Disposal Agreement:

Date: 13 August 2010 (after trading hours)

Parties: (1) Vendor: Sunbeam Group Limited (新光集團有限公司), a directly wholly-owned subsidiary of the Company
(2) Purchaser: Mayer Steel Pipe Corporation (美亞鋼管廠股份有限公司), the ultimate controlling Shareholder

Assets to be disposed of

Pursuant to the Disposal Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing 100% equity interest in Mei Kong.

Consideration

The Consideration for the Disposal is NT\$260,473,851 (equivalent to approximately HK\$63,399,000) which shall be satisfied in cash by the Purchaser to the Company upon the Completion of transfer of the Sale Shares. If the Purchaser fails to settle the Consideration on the Completion Date, the Purchaser shall be subject to overdue charges calculated at the rate of 0.05% per day in respect of the Consideration for the period commencing from the date when the amount payable was due.

Basis of the Consideration

The Consideration of the Disposal was agreed between the Vendor and the Purchaser after arm's length negotiations and on normal commercial terms by reference to the net asset value of Mei Kong as at 31 July 2010.

Given that the Consideration represents Mei Kong's net asset value of approximately NT\$317,369,384 (equivalent to approximately HK\$77,248,000) after deducting the withholding tax based on the management accounts of Mei Kong for the seven months ended 31 July 2010, the Directors consider that the Consideration is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion of the Disposal shall be conditional upon:

- (a) obtaining the approval by all relevant local government and local regulatory authorities in relation to the execution of the Disposal Agreement and transfer of the Sale Shares; and
- (b) obtaining the Shareholders' approval at the Company's Shareholder meeting in relation to the Disposal Agreement and the transactions contemplated under the Disposal Agreement.

None of the above conditions are capable of being waived. If the conditions above have not been satisfied on or before 15 December 2010, the Disposal Agreement shall cease and terminate and thereafter neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms hereof.

Completion

Completion shall take place upon the Completion of title ownership transfer of the Sale Shares after the conditions precedent in the Disposal Agreement have been fulfilled.

Other conditions

Other major conditions to the Disposal Agreement to indemnify the Purchaser are set out as below:

- (a) all losses, costs and expenses incurred by the Purchaser in connection with any claim or action commenced at any time before, on or after the Completion Date against the Vendor in relation to Mei Kong; and
- (b) any due or undue guarantee, liability or tax liability at any time before, on or after the Completion Date against the Vendor in relation to Mei Kong.

The above indemnities do not cover any liability as a result of the Completion of title ownership transfer of the Sale Shares. Both parties to the Disposal Agreement shall perform their obligations to bear their respective levies and applicable stamp duties in accordance with the law and regulations of Taiwan.

INFORMATION ON MEI KONG

Mei Kong was incorporated in Taiwan with limited liability in 28 May 2007 and is an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, Mei Kong is principally engaged in investment holding and was principally engaged in property investment. As at the date of this announcement, major asset of Mei Kong is cash. According to the management accounts of Mei Kong as at 31 July 2010, its cash balance as at 31 July 2010 is NT\$358,664,631 (equivalent to approximately HK\$87,299,000), amounting to approximately 99.96% of the total assets. On 12 May 2010, Mei Kong entered into a conditional sale and purchase agreement with China Life, an independent third party and not connected with the Company and any of its connected persons, pursuant to which Mei Kong had conditionally agreed to sell and China Life had conditionally agreed to purchase the Property (the “Property Agreement”). The completion of the disposal of the Property took place on 12 July 2010. Prior to completion of the abovementioned agreement, Mei Kong’s principal asset was the Property.

Pursuant to the terms of the Property Agreement, Mei Kong warrants China Life that within three years commencing from the day after the point of delivery date (the “Rent Commencement Date”), the minimum annual rental to be generated from the Property shall be NT\$56,100,000 (equivalent to approximately HK\$13,806,000) (the “Guarantee Income”) and if the actual rental income is less than the Guarantee Income, Mei Kong shall compensate the difference to China Life. Both parties to the Property Agreement shall calculate the annual rental income at the anniversary of each relevant year. In the event the Guarantee Income for a particular year cannot be reached, Mei Kong shall compensate the shortfall within two months after settlement of the actual annual rental income.

The Guarantee Income of NT\$56,100,000 (equivalent to approximately HK\$13,806,000) was determined based on 85% of the total estimated annual rental income of NT\$66,000,000 (equivalent to approximately HK\$16,243,000) expected to be generated from the Property. In the event the Guarantee Income cannot be reached during a particular year, Mei Kong shall compensate such shortfall on a dollar-to-dollar basis and shall be settled by cash.

Set out below is a summary of the audited financial information on Mei Kong for the two years ended 31 December 2008 and 2009 prepared in accordance with the Hong Kong Financial Reporting Standard:

	For the year ended 31 December	
	2009	2008
	<i>RMB</i>	<i>RMB</i>
Income Statement		
Revenue	8,330,000 (equivalent to approximately HK\$9,513,000)	3,977,000 (equivalent to approximately HK\$4,542,000)
Net profit/(loss) before taxation	4,519,000(equivalent to approximately HK\$5,161,000)	34,566,000(equivalent to approximately HK\$39,474,000)
Net profit/(loss) after taxation	5,585,000(equivalent to approximately HK\$6,378,000)	26,119,000(equivalent to approximately HK\$29,828,000)

	As at 31 December	
	2009	2008
	<i>RMB</i>	<i>RMB</i>
Statement of financial position		
Total assets	223,084,000(equivalent to approximately HK\$254,762,000)	220,053,000(equivalent to approximately HK\$251,301,000)
Total liabilities	174,300,000(equivalent to approximately HK\$199,050,000)	178,058,000(equivalent to approximately HK\$203,342,000)
Net asset value	48,784,000(equivalent to approximately HK\$63,623,000)	41,995,000(equivalent to approximately HK\$54,768,000)

REASONS FOR THE DISPOSAL

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.

Mei Kong was established in May 2007 to explore suitable investment opportunities in property investment in Taiwan. With reference to the Company's announcement and the circular dated 19 May 2010 and 21 June 2010 respectively, taking into consideration that the Group had disposed of the sole asset of Mei Kong, being the Property, the Directors consider that the Disposal to be in the commercial interest of the Group having regard to the discontinuation of property investment activity of the Group.

Furthermore, the Directors consider that the Disposal will enable the Company to improve the cashflow and liquidity position of the Group and increase the general working capital and cash resources for any future potential investment opportunities that may arise from time to time. After the Disposal, save as property investment, the Company intends to continue to operate the rest of its remaining principal businesses.

Save and except for the Disposal, as at the date of this announcement, the Directors have no intention, negotiation or agreement to dispose or scale-down of the Group's existing businesses.

The Directors consider that the terms of the Disposal Agreement are on normal commercial terms and are fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The net proceeds from the Disposal of approximately NT\$257.2 million (equivalent to approximately HK\$62.6 million) will be used for general working capital purposes and, where appropriate, future acquisitions (if any) where suitable opportunities arise in future.

POSSIBLE FINANCIAL EFFECTS

Upon Completion, Mei Kong will cease to be a subsidiary of the Company. The financial results, assets, liabilities and cash flows of Mei Kong will be deconsolidated from the Group's consolidated financial statements.

Based on the existing information available to the Company, the Directors estimated that the expected loss to be recorded in the Group's consolidated financial statements arising from the Disposal is approximately HK\$14,649,000, being the difference between the Consideration of NT\$260,473,851 (equivalent to approximately HK\$63,399,000) and the net asset value of Mei Kong of approximately NT\$317,369,384 (equivalent to approximately HK\$77,248,000) as at 31 July 2010 based on the Mei Kong's management accounts and taking into account the estimated expenses to be incurred (including but not limited to the relevant taxation, agency commission, and legal and

professional fees). The Directors consider that the asset position of the remaining Group will improve as a result of the Disposal and the Disposal will not have any material adverse effect on the turnover, profitability and the business operation of the remaining Group.

It should be noted that the aforementioned estimations are for illustrative purpose only and do not purport to represent how the financial position of the remaining Group will be upon Completion.

INFORMATION ON THE PURCHASER

The Purchaser, the ultimate controlling Shareholder is principally engaged in the processing and manufacture of steel pipes substantially for the domestic market in Taiwan. As at the date of announcement, the Purchaser through its wholly-owned subsidiary, Mayer Corporation Development International Limited, holds 200,000,000 Shares (representing approximately 34.72% of the existing issued share capital of the Company). The Purchaser is incorporated in Taiwan and the shares of which are listed on the Taiwan Stock Exchange Corporation.

REFRESHMENT OF GENERAL MANDATE

At the annual general meeting of the Company held on 19 June 2010, the Shareholders passed among others, ordinary resolutions to grant the Directors the General Mandate to issue, allot and otherwise deal with a maximum of 115,200,000 Shares, representing 20% of the total nominal amount of the share capital of the Company in issue on the date of passing such resolutions.

Since the granting of the General Mandate to the date of this announcement, the General Mandate has been utilised as to 115,200,000 Shares, representing 100% of the aggregate number of Shares which may be allotted and issued under the General Mandate, as a result of the issue of 115,200,000 warrants on 12 July 2010 to an independent subscriber.

There has been no refreshment of General Mandate since the said annual general meeting. Accordingly, after the issue of the aforesaid warrants, no further new Shares may be further issued and allotted under the General Mandate.

The Company therefore proposes to seek the approval of the Independent Shareholders to refresh the General Mandate at the EGM. The Purchaser, being the ultimate beneficial controlling Shareholder, and its associates would abstain from voting in favour of the relevant resolution in approving the refreshment of the General Mandate pursuant to Rule 13.36(4) of the Listing Rules.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal for the Company under the Listing Rules. The Purchaser is the ultimate beneficial controlling Shareholder and thus, the Purchaser, is regarded as a connected person of the Company. Accordingly, the Disposal contemplated under the Disposal Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one of the applicable percentage ratios (other than the profits ratio) is more than 25% and the Consideration is more than HK\$10 million, the Disposal also constitutes a non-exempt connected transaction of the Company under Rule 14A.16(5) of the Listing Rules and is subject to the requirements of reporting, announcement and approval of the Independent Shareholders voting at a general meeting pursuant to Rules 14A.17 and 14A.18 of the Listing Rules. In view of the interests of the Purchaser in the Disposal Agreement, the Purchaser and its associates will be required to abstain from voting on the resolution in relation to the Disposal Agreement and the transactions contemplated thereunder at the EGM. As at the date of announcement, the Purchaser holds 200,000,000 Shares (representing approximately 34.72% of the existing issued share capital of the Company). Save and except to the foregoing, no other Shareholder will be required to abstain from voting on the relevant resolution at the EGM to approve the Disposal.

The Independent Board Committee has been established to consider, and to advise the Independent Shareholders on, the fairness and reasonableness of the terms of the Disposal Agreement, the Disposal and the refreshment of the General Mandate. An independent financial adviser will be appointed to make recommendations to the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the Disposal, the refreshment of General Mandate, the financial information of Mei Kong; (ii) the recommendation from the Independent Board Committee; (iii) the letter of advice from independent financial adviser to the Independent Board Committee and Independent Shareholders relating to the Disposal Agreement, the Disposal and the refreshment of General Mandate and (iv) the notice of the EGM will be despatched to the Shareholders no later than 8 September 2010.

RESUMPTION OF TRADING OF SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 16 August 2010 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 19 August 2010.

DEFINITIONS

In this announcement, the following words and expressions shall, unless the context otherwise requires, have the same meanings when used herein:

“associates”	has the meaning ascribed to in the Listing Rules
“Board”	the board of Directors
“China Life”	中國人壽保險股份有限公司 (China Life Insurance Co., Ltd.)
“Company”	Mayer Holdings Limited (Stock Code: 1116), 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 for the sale and purchase of the Sale Shares pursuant to the terms of the Disposal Agreement
“Completion Date”	the date of Completion, being completion for the sale and purchase of the Sale Shares
“connected person(s)”	have the meaning ascribed to it under the Listing Rules
“Consideration”	NT\$260,473,851 (equivalent to approximately HK\$63,399,000), being the consideration for the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Company to the Purchaser pursuant to the terms and conditions of the Disposal Agreement
“Disposal Agreement”	the conditional sale and purchase agreement dated 13 August 2010 entered into between the Vendor and the Purchaser in relation to the sale and purchase of 100% issued share capital of Mei Kong
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of, among other things, approving the Disposal Agreement and the transactions contemplated thereunder, and the refreshment of the General Mandate

“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 19 June 2010 to allot, issue and deal up to 20% of the then issued share capital of the Company as at the date of the annual general meeting
“Group”	the Company and its subsidiaries
“Independent Board Committee”	the independent committee of the Board comprising the independent non-executive Directors, namely Mr. Lin Sheng-bin, Mr. Huang Jui-hsiang, Mr. Alvin Chiu and Mr. Peter V.T. Nguyen, to advise the Independent Shareholders regarding the Disposal
“independent third party(ies)”	third parties and their ultimate beneficial owner(s) which are independent of the Company and its connected persons
“Independent Shareholders”	Shareholders other than the Purchaser and its associates
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mei Kong”	Mei Kong Shih Ye Limited (美控實業股份有限公司), a company incorporated in Taiwan with limited liability, and a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China which for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Property”	德安科技園區八期 (Durban Technology Park Phase VIII), a building erected on the land situated at Land No. 14, Kuang Fu Sec., Hsinchu City, Taiwan and with address as No. 156, 158, 158-1 and 160 Section 2, Gongdao 5th Road, East District, Taiwan
“Property Agreement”	the conditional sale and purchase agreement dated 12 May 2010 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property

“Purchaser”	Mayer Steel Pipe Corporation (美亞鋼管廠股份有限公司), a company incorporated in Taiwan whose shares are listed on the Taiwan Stock Exchange Corporation, and the ultimate controlling Shareholder
“Sale Shares”	the 32,891,718 shares representing the entire 100% issued share capital of Mei Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Vendor”	Sunbeam Group Limited (新光集團有限公司), a company incorporated in British Virgin Islands with limited liability, and a directly wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“NT\$”	New Taiwan dollars, the lawful currency of Taiwan
“RMB”	renminbi, the lawful currency of the PRC
“%”	per cent.

For the purpose of this announcement, all amounts denominated in NT\$ has been translated (for information only) into HK\$ using the exchange rates of NT\$1.00:HK\$0.2434 and RMB1:HK\$1.142. Such translation shall not be construed as a representation that amount of NT\$ and RMB were or may have been converted.

By order of the Board
Mayer Holdings Limited
Hsiao Ming-chih
Chairman

Hong Kong, 18 August 2010

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, Mr. Lu Wen-yi and Mr. Cheng Koon Cheung; the non-executive directors of the Company are Mr. Huang Chun-fa and Mr. Chan Kin Sang; and the independent non-executive directors of the Company are Mr. Lin Sheng-bin, Mr. Huang Jui-hsiang, Mr. Alvin Chiu respectively and Mr. Peter V.T. Nguyen.