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CONNECTED TRANSACTION

FORMATION OF JOINT VENTURE

The Board announces that on 15 September 2010, the Company and Taiwan Mayer entered into the Agreement in relation to the establishment of the JV Company for carrying out trading of non-ferrous metals and other minerals resources worldwide. According to the Agreement, the JV Company is to be owned by the Company as to 50% and by Taiwan as to 50%. The Company shall pay in aggregate USD999,999 to the JV Company for the subscription of approximately 49.99% equity capital in the JV Company.

As the Company is an indirect owned subsidiary of Taiwan Mayer (which is an ultimate controlling shareholder of the Company), Taiwan Mayer is a connected person of the Company as defined under the Listing Rules. Hence, the transaction under the Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Based on the capital contribution by the Company to the JV Company under the Agreement, the applicable percentage ratios (other than the profit ratio) are less than 2.5%. Therefore, the transaction under the Agreement is exempt from the independent shareholders' approval requirements under Rule 14A.48 of the Listing Rules and is only subject to the reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules.

PRINCIPAL TERMS OF THE AGREEMENT

Date

15 September 2010

Parties

- (1) the Company
- (2) Taiwan Mayer

Scope of Business of the JV Company

Business activities including the storage, sourcing, distribution and trading of non-ferrous metals and other minerals commodity worldwide.

Information on the JV Company

The JV Company is established in the British Virgin Islands with limited liability and is currently a 100% wholly-owned subsidiary of the Company with one share in issued at a par value of USD1 each. After the transaction, it will have an authorised share capital of USD20,000,000 and issued share capital of USD2,000,000. Upon completion, the Company will hold 50% of the equity capital of the JV Company and Taiwan Mayer will hold 50% of the equity capital of the JV Company. The JV Company is yet to commence business.

Consideration

The total capital investment by the Company in the JV Company under the Agreement will be USD999,999, which shall be payable by the Company within 7 days prior to the registration application to the registered office of the British Virgin Islands. It is expected that the above capital investment by the Company would be funded by internal resources of the Group.

Composition of the board of directors

The board of directors of the JV Company shall consist of two directors, one shall be appointed by the Company and one shall be appointed by Taiwan Mayer.

Profit sharing

The profit and loss of the JV Company shall be shared between the Company and Taiwan Mayer in accordance with their respective proportion of equity capital in the JV Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

Owing to the increasing demand for non-ferrous metals and other minerals commodity all over the world, there has been an imbalance of demand and supply and a prolonged rise of commodity prices in, particularly, the emerging markets such as China and India as a result of their flourishing development. Therefore, the Company and Taiwan Mayer consider this our opportunity and expect it will provide a new income source for the Group.

The Directors (including the independent non-executive Directors) of the Company believe that the terms of the Agreement are on normal commercial terms, fair and reasonable and the Agreement is in the interests of the Company and shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

Taiwan Mayer is an ultimate controlling shareholder of the Company holding approximately 34.72% of the issued share capital of the Company. The Company, being an indirect owned subsidiary of Taiwan Mayer, is an associate of Taiwan Mayer and thus a connected person of the Company within the meaning of the Listing Rules. Hence, the transaction under the Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Based on the capital contribution by the Company to the JV Company under the Agreement, the applicable percentage ratios (other than the profit ratio) are less than 2.5%. Therefore, the transaction under the Agreement is exempt from the independent shareholders' approval requirements under Rule 14A.48 of the Listing Rules and is only subject to the reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules.

GENERAL

The Company is an investment holding company with its subsidiaries principally engaged in the manufacture and trading of Steel pipes, Steel sheets and other products made of steel and leasing of aircrafts.

DEFINITIONS

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

“Agreement”	the joint venture agreement dated 15 September 2010 entered into by the Company and Taiwan Mayer, details of which are set out in the section headed “Principal Terms of the Agreement” of this announcement
“Board”	the board of Directors
“Company”	Mayer Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“JV Company”	Glory World Development Limited, a company established in the British Virgin Islands with limited liability for the purpose of carrying out trading of non-ferrous metals and other minerals resource worldwide
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Taiwan Mayer”	Mayer Steel Pipe Corporation (美亞鋼管廠股份有限公司), an ultimate controlling shareholder of the Company and a company incorporated in Taiwan whose shares are listed on the Taiwan Stock Exchange Corporation
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.
“USD”	United States dollars, the lawful currency of the United States of America

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

Hong Kong, 15 September 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 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 and Mr. Peter V.T. Nguyen respectively.

* For identification purpose only