

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**美亞控股有限公司\***  
**MAYER HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1116)**

**VERY SUBSTANTIAL DISPOSAL  
AND  
RESUMPTION OF TRADING**

**THE AGREEMENT**

On 21 November 2011, the Company entered into the Agreement with the Purchasers, pursuant to which the Company conditionally agreed to sell and the Purchasers conditionally agreed to acquire the Sale Shares at a consideration of approximately RMB184.8 million. The Sale Shares represent the entire issued share capital of Bamian Investments as at the date of the Agreement.

**LISTING RULES**

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal exceed 75%, the Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules, and is therefore subject to the requirements of reporting, announcement and Shareholders' approval. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, neither the Purchasers nor their ultimate beneficial owners hold any Shares and none of the Shareholders is required to abstain from voting for the resolution(s) to approve the Disposal and the transactions contemplated thereunder at the EGM.

A circular containing, amongst other things, further details of the Disposal together with a notice of the EGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 31 January 2012.

Completion is subject to the fulfillment or, where applicable, waiver of Conditions Precedent including, amongst others, the obtaining of the approval of the Shareholders, and therefore, the Disposal may or may not proceed. Shareholders and investors are advised to exercise caution when dealing in the Shares.

\* *For identification purpose only*

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 22 November 2011 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 on the Stock Exchange with effect from 9:00 a.m. on 6 January 2012.

## **INTRODUCTION**

On 21 November 2011, the Company entered into the Agreement with the Purchasers, pursuant to which the Company conditionally agreed to sell and the Purchasers conditionally agreed to acquire the Sale Shares at the Consideration of approximately RMB 184.8 million. The Sale Shares represent the entire issued share capital of Bamian Investments as at the date of the Agreement.

## **THE AGREEMENT**

**Date:** 21 November 2011

### **Parties:**

- (i) Purchasers:
- (a) CSGTIC, an investment holding company incorporated in Samoa with limited liability
  - (b) CMTTC, an investment holding company incorporated in Samoa with limited liability
- (ii) Vendor: the Company

### **Assets to be disposed of**

The assets to be disposed of under the Agreement are the Sale Shares, representing the entire issued share capital of Bamian Investments as at the date of the Agreement.

Upon Completion, Bamian Investments will cease to be a subsidiary of the Company and the Company will not hold any equity interest in Bamian Investments, which held 81.4% direct interest in Guangzhou Mayer and 29.85% indirect interest in Vietnam Mayer as at the date of the Agreement.

### **Consideration**

The Consideration of RMB184,814,541 has been arrived at after arm's length negotiations between the parties with reference to, amongst other things: (A) the unaudited net assets of Guangzhou Mayer of approximately RMB242.6 million as at 30 June 2011 as shown in the unaudited consolidated financial statement of Guangzhou Mayer; and (B) the declared but unpaid dividends of Guangzhou Mayer of approximately RMB15.5 million, which is expected to be distributed to Bamian Investments, which will in turn distribute the dividend to the Company before Completion.

Since Bamian Investments is only an investment holding company, the net asset value of its principal asset, namely Guangzhou Mayer, was used as reference for determining the Consideration.

In relation to the valuation of the net assets of Guangzhou Mayer, the following adjustments have been taken into account: (i) the difference in accounting treatments in the PRC and Taiwan in relation to the net asset value of Guangzhou Mayer; and (ii) the adjustments made to the net book value of Guangzhou Mayer, being the difference between the net book value in its management accounts and that in the Purchasers' auditors due diligence report, both as at 30 June 2011, representing, among others, adjustments to the mark-to-market value of the securities held by Guangzhou Mayer, provision for taxation, provision for depreciation and exchange translation difference.

The Consideration shall be subject to adjustment after Completion as follows:

- (i) if the date of Completion falls on or before 31 March 2012, the Consideration shall be adjusted with reference to the difference (if any) between Guangzhou Mayer's net asset value as shown in its audited accounts for the year ended 31 December 2011 to be agreed by the Company and the Purchasers and its unaudited net asset value as at 30 June 2011 stated in (A) above on a dollar-to-dollar basis. If Guangzhou Mayer indicates that there has been a material change to its financial condition after 31 December 2011, the amount of such material change shall also be taken into account in the adjustment of the Consideration; and
- (ii) if the date of Completion falls after 31 March 2012, the Consideration shall be adjusted with reference to the difference (if any) between Guangzhou Mayer's net asset value as shown in its audited accounts as at 31 March 2012 to be agreed by the Company and the Purchasers and its unaudited net asset value as at 30 June 2011 stated in (A) above on a dollar-to-dollar basis. If Guangzhou Mayer indicates that there has been a material change to its financial condition after 31 March 2012, the amount of such material change shall also be taken into account in the adjustment of the Consideration.

In the event that there is any disagreement in the adjustment amount between the Company and the Purchasers, the adjustment shall be confirmed by the auditors of Guangzhou Mayer.

The Consideration shall be borne as to 30% by CSGTIC and as to 70% by CMTIC.

The Consideration of approximately RMB184.8 million will be settled:

- (i) as to RMB100 million, payable in US dollars within three Business Days upon Completion;
- (ii) as to the remaining balance, payable in US dollars within 15 days:
  - (1) upon receipt of the refund of the consideration to Guangzhou Mayer for its purchase of property, plant and equipment from Chongqing Hengyang in the amount of RMB60.66 million plus 5% (for more information, please refer to item (ix) in the section headed “*Conditions Precedent*” below); and
  - (2) after the adjustment to the Consideration based on the net assets of Guangzhou Mayer for the year ended 31 December 2011 has been determined and confirmed by the Company and the Purchasers.

Having considered the above and the factors set out in the section headed “*Reasons for the Disposal*” below, the Directors consider that the Agreement and the Disposal are on normal commercial terms, and that their terms are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Conditions Precedent**

Completion is conditional upon fulfillment (or, where applicable, waiver by the Purchasers) of the following Conditions Precedent:

- i. the representations and warranties given by the Company to the Purchasers remaining true and accurate up to Completion;
- ii. there being no continuing material adverse change to the financial and operational conditions and future prospects of both Bamian Investments and Guangzhou Mayer;
- iii. the passing of resolution(s) by the board of directors of Bamian Investments approving, amongst others, the transfer of Sale Shares contemplated under the Agreement;
- iv. the resignation of all directors of Bamian Investments and at least five directors and one supervisor of Guangzhou Mayer with effect from the date of Completion;
- v. as at Completion, there being no ongoing or possible legal proceeding, action or claim, administrative action, governmental procedure or other order which may restrict, prohibit or otherwise affect the performance of the obligations under the Agreement;

- vi. all necessary approvals and consents required to be obtained from any government authority, including but not limited to the necessary procedures in accordance with the Listing Rules and applicable laws and regulations, in respect of the Agreement and/or the transactions contemplated thereunder having been obtained;
- vii. the passing of ordinary resolution(s) at the EGM approving the Disposal;
- viii. Guangzhou Mayer having distributed dividends in the amount of RMB 15.5 million to its shareholders in accordance with the resolutions passed at its general meeting of 2011; and
- ix. undertaking having been obtained from Chongqing Hengyang to revoke the sale and purchase agreement signed between Chongqing Hengyang and Guangzhou Mayer on 23 February 2011 in relation to the acquisition of property, plant and equipment by Guangzhou Mayer and to refund the consideration for the same plus 5%. Since it was not the Purchasers' intention to acquire the property, plant and equipment in Chongqing other than Guangzhou Mayer's core business, the parties agreed that it be made a Condition Precedent that such acquisition from Chongqing Hengyang be revoked and the remaining balance of RMB84.8 million of the Consideration be settled only after receipt of the refund in the amount of RMB60.66 million plus 5%. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, Chongqing Hengyang and its ultimate beneficial owners are third parties independent of and are not connected with the Company, the Purchasers or their respective connected persons.

Completion shall not take place and the Agreement shall be terminated if the relevant approval in relation to the Disposal has not been obtained from either the Stock Exchange or the Shareholders within one year after the signing of the Agreement.

As at the date hereof, none of the Conditions Precedent has been waived by the Purchasers or has been fulfilled. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Directors are not aware of any intention of the Purchasers to waive any of the Conditions Precedent.

### **Completion**

Completion shall take place within three Business Days upon fulfillment (or, where applicable, waiver by the Purchaser) of the Conditions Precedent or such other date as the parties may mutually agree.

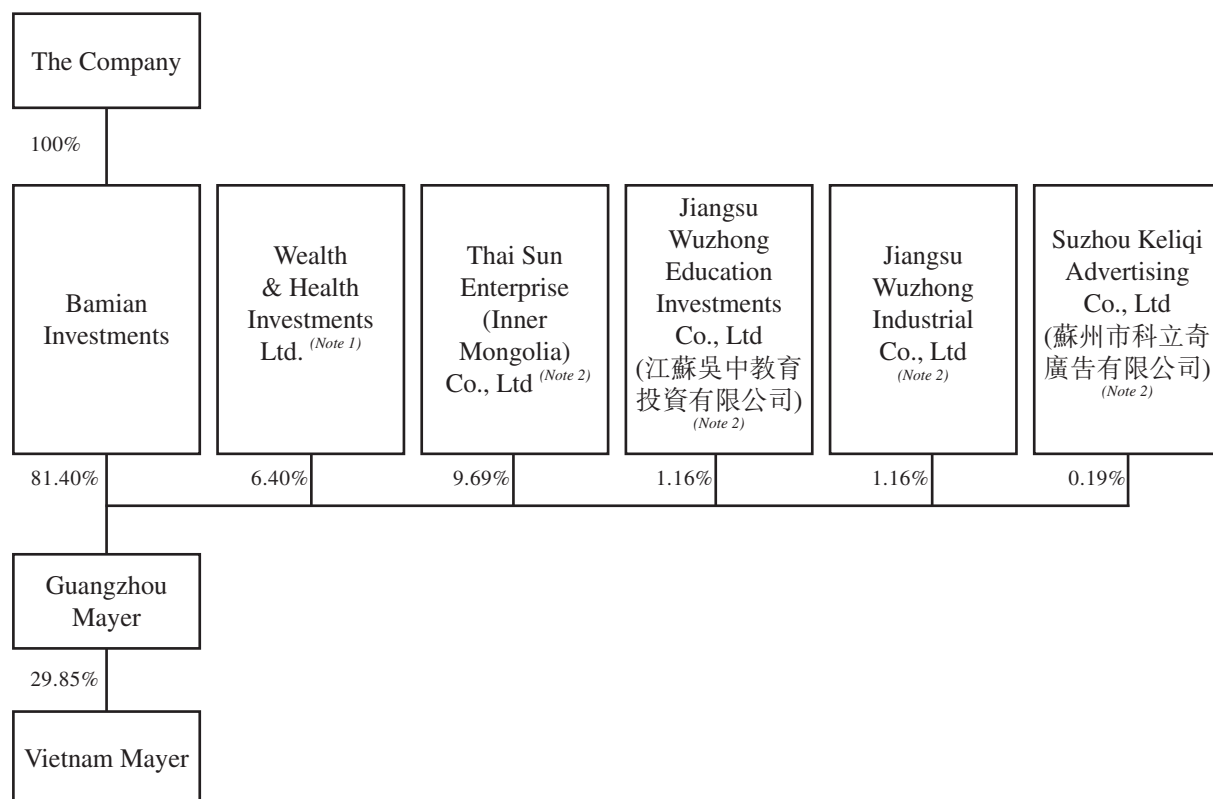
### **INFORMATION ON THE GROUP**

The Company is an investment holding company and its subsidiaries are principally engaged in the (1) manufacturing and trading of steel pipes, steel sheets and other steel products; (2) development of property; and (3) operation of port and other relevant logistics business in Vietnam.

## INFORMATION ON BAMIAN INVESTMENTS AND ITS SUBSIDIARY AND ASSOCIATE

### Bamian Investments

Bamian Investments is an investment holding company incorporated in Singapore with limited liability and is wholly owned by the Company. Set out below is the shareholding structure of Bamian Investments and its subsidiary and associate as at the date of this announcement:



*Note:*

- (1) Since 11 March 2011 up to the date of this announcement, Wealth & Health Investments Ltd. has been beneficially owned by Mr. Lo Haw, who was previously a Director.
- (2) To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Thai Sun Enterprise (Inner Mongolia) Co., Ltd, Jiangsu Wuzhong Education Investments Co., Ltd (江蘇吳中教育投資有限公司), Jiangsu Wuzhong Industrial Co., Ltd and Suzhou Keliqi Advertising Co., Ltd (蘇州市科立奇廣告有限公司), save for their respective equity interests in Guangzhou Mayer, are third parties independent of and not connected with (i) the Company and its connected persons, and (ii) the Purchasers and their ultimate beneficial owners.

### *Financial information of Bamian Investments*

Set out below is the unaudited consolidated financial information of Bamian Investments, which has been prepared in accordance with HKFRSs for the two years ended 31 December 2009 and 2010 and for the six months ended 30 June 2011:

	<b>For the year ended</b>		<b>For the six months ended</b>
	<b>31 December</b>		<b>30 June</b>
	<b>2009</b>	<b>2010</b>	<b>2011</b>
	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>
Turnover	418.4	539.0	242
Net profit before tax	0.3	10.0	8.0
Net (loss) profit after tax	(2.5)	10.0	5.1

	<b>As at</b>		<b>As at</b>
	<b>31 December</b>		<b>30 June</b>
	<b>2009</b>	<b>2010</b>	<b>2011</b>
	<i>RMB' million</i>	<i>RMB' million</i>	<i>RMB' million</i>
Current assets	321.6	312.4	258.4
Current liabilities	178.8	153.8	152.9
Total assets	420.1	402.8	395.2
Total liabilities	178.8	153.8	152.9
Net assets	241.3	249.0	242.3

### **Guangzhou Mayer**

Guangzhou Mayer is a company incorporated in the PRC with limited liability and is owned as to 81.4% by Bamian Investments. It principally engages in the manufacturing and trading of steel pipes, steel sheets and other steel products.

### **Vietnam Mayer**

Vietnam Mayer is a company incorporated in Vietnam with limited liability and is owned as to 29.85% by Guangzhou Mayer. It principally engages in the manufacturing and trading of steel pipes, steel sheets and other steel products.

### **INFORMATION ON THE PURCHASERS**

Each of CSGTIC and CMTC is an investment holding company incorporated in Samoa with limited liability. CSGTIC and CMTC are the indirectly wholly-owned subsidiaries of CSC, which is listed on the Taiwan Stock Exchange Corporation (stock code: 2002). The CSC Group is principally engaged in the manufacturing and marketing of a variety of steel products such as hot rolled coils and sheets, cold rolled coils and sheets, wire rods, steel plates and steel bars.



Save for the fact that CSC is a long-standing supplier of the Company and Guangzhou Mayer, to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Purchasers and their ultimate beneficial owners are third parties independent of and are not connected with the Company or its connected persons.

Reference is made to the announcement of the Company dated 12 November 2010 in relation to a very substantial acquisition of the equity interest in Yield Rise Limited from Make Success Limited. For the avoidance of doubt, to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Directors are not aware of any relationship between the Purchasers and their ultimate beneficial owners with Make Success Limited.

### **FINANCIAL EFFECTS OF THE DISPOSAL**

Upon Completion, Bamian Investments will cease to be a subsidiary of the Company and the Company shall not have any equity interest in Bamian Investments. As a result, the financial results of Bamian Investments will not be consolidated in the accounts of the Group subsequent to Completion.

Based on (i) the Consideration of approximately RMB184.8 million and (ii) the unaudited consolidated net assets of the total owners' equity of approximately RMB191.2 million of Bamian Investments as at 30 June 2011, there is an expected loss of approximately RMB6.4 million from the Disposal. It is expected that the loss from the Disposal will be reflected in the consolidated accounts of the Group for the year ended 31 December 2011.

### **REASONS FOR THE DISPOSAL**

The Group is principally engaged in the (1) manufacturing and trading of steel pipes, steel sheets and other steel products; (2) development of property; and (3) operation of port and other relevant logistics business in Vietnam.

Given the over-capacity and over-supply of steel products in the PRC, steel markets in the PRC have gradually reached saturation point and the business environment of the industry has become more challenging. In order to survive and sustain in the industry, steel production plants in the PRC tend to integrate vertically and/or horizontally to gain economies of scale and to diversify their products to enlarge market share. Without an expansion plan to diversify its steel products, Guangzhou Mayer may not, in the future, be competitive in terms of production capacity, offer price and distribution channel when compared to its integrated competitors.



As described in the section headed “*Information on the Purchasers*” above, CSC is a long-standing supplier of the Company and Guangzhou Mayer. In July 2011, a representative of the CSC Group approached the Company in relation to the possibility of cooperation, in particular in the development of coil centres in the PRC. Thereafter and up to late November 2011, negotiations as to the form and exact terms of cooperation took place. Taking into account the changing business environment in the steel industry as described above, the Directors are of the view that it is beneficial to the Group to dispose of the business when it is profitable. Having given due consideration to the terms of the Disposal, the Directors consider that the terms of the Disposal are fair and reasonable and that the Disposal is in the interests of the Company and the Shareholders as a whole.

### **USE OF PROCEEDS**

The net proceeds from the Disposal (after settlement of professional fees and other expenses incurred in relation to the Disposal) are estimated to be approximately RMB182.0 million. The Company intends to apply the proceeds from the Disposal in the following manners: (1) for developing the Group’s non-ferrous metal and other minerals trading business; (2) for investing in the Dan Tien Port in Vietnam; (3) for improving the liquidity of the Company by way of settlement of bank borrowings; and (4) as general working capital of the Company.

### **REMAINING BUSINESS**

Upon Completion, the Company will cease to operate any steel manufacturing business and will focus on its trading business of steel and non-ferrous metal worldwide. In addition, the Company will continue to assess the development potential of port and logistics business and property development in Vietnam.

For illustrative purpose, set out below is the unaudited consolidated financial information of the Group for the six months ended 30 June 2011 as if completion of the Disposal took place on 1 January 2011. Such information may not give an accurate picture of the Group’s financial position and results of operation.

**For the six months  
ended 30 June  
2011**  
*RMB' million*

Turnover	3.8
Net profit before tax	1.5
Net (loss) profit after tax	(9.1)

**As at 30 June  
2011**  
*RMB' million*

Current assets	
Properties under development for sale*	183.7
Trade and other receivables	12.2
Pledged bank deposits	5.1
Cash and cash equivalents	201.3
	<hr/>
	402.3
	<hr/> <hr/>
Non-current assets	
Fixed assets	37.9
Intangible assets**	547.5
Interests in jointly-controlled entities	73.1
	<hr/>
	658.5
	<hr/> <hr/>
Total assets	1,060.8
Current liabilities	72.5
Total liabilities	404.6
Net assets	656.2

\* The prepaid lease payments of Dan Tien Port which is in the process of obtaining the land use rights certificate.

\*\* Intangible asset represents the investment certificate No.221.022.000.107 granted on 28 December 2007 by the People's Committee of Quang Ninh Province to Dan Tien for (i) the Dan Tien Port Project on the development and operation of port in Mong Cai in Vietnam ("Dan Tien Port Project") and (ii) the Phoenix Trade and Tourism Urban Area Project on the development of properties in Mong Cai in Vietnam ("Phoenix Trade and Tourism Urban Area Project") for a period of 50 years from 27 June 2003.

The investment certificate has finite useful lives and is amortised on a straight line basis over its remaining useful life up to 26 June 2053.

As illustrated above, the Board considers that the above business operations and assets of the Company are sufficient to warrant the continued listing of its Shares.

As at the date hereof, the Company has no intention, negotiation, agreement, arrangement or understanding (concluded or otherwise) about any disposal, scaling-down and/or termination of its existing businesses.

Moreover, the Company will from time to time look for investment opportunities to broaden the income base of the Group. As the port and logistics and property development project in Vietnam is not expected to generate any immediate cash inflow to the Group, the Directors consider that it would be in the interests of the Company and the Shareholders as a whole for the Company to continue to seek profitable investment opportunities, such that the overall financial position of the Group can be enhanced. As at the date of this announcement, the Company has not identified any suitable acquisition and/or investment opportunities.

The Company is currently exploring fund raising opportunities for the purpose of raising sufficient funds to satisfy the financial needs arising out of the business development of the Group, as well as to improve the overall financial position of the Group.

## **LISTING RULES**

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal exceed 75%, the Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules, and is therefore subject to the requirements of reporting, announcement and Shareholders' approval. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, neither the Purchasers nor their ultimate beneficial owners hold any Shares and none of the Shareholders is required to abstain from voting for the resolution(s) to approve the Disposal and the transactions contemplated thereunder at the EGM.

A circular containing, amongst other things, further details of the Disposal together with a notice of the EGM and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 31 January 2012.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 22 November 2011 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 on the Stock Exchange with effect from 9:00 a.m. on 6 January 2012.

## DEFINITIONS

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

“Agreement”	the sale and purchase agreement dated 21 November 2011 entered into between the Company and the Purchasers in relation to the Disposal
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Bamian Investments”	Bamian Investments Pte. Limited, a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Hong Kong
“Chongqing Hengyang”	Chongqing Hengyang Property Development Company Limited (重慶恆陽房地產開發有限公司), a company incorporated in the PRC with limited liability
“Company”	Mayer Holdings Limited (美亞控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 1116)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Agreement
“CMTC”	Chung Mao Trading (Samoa) Corporation, an investment holding company incorporated in Samoa with limited liability
“Condition(s) Precedent”	the condition(s) precedent to the Completion under the Agreement
“connected person(s)”	has the meanings ascribed thereto in the Listing Rules
“Consideration”	the consideration payable pursuant to the Agreement

“CSC”	China Steel Corporation, a company incorporated in Taiwan with limited liability, the shares of which are listed on the Taiwan Stock Exchange Corporation (stock code: 2002)
“CSC Group”	CSC and its subsidiaries
“CSGTIC”	CSGT International Corporation, an investment holding company incorporated in Samoa with limited liability
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares as contemplated under the Agreement
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider the Agreement and the transactions contemplated thereunder
“HKFRSs”	Hong Kong Financial Reporting Standards, which is a collective term and includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Group”	the Company and its subsidiaries
“Guangzhou Mayer”	Guangzhou Mayer Metal Company Limited (廣州美亞股份有限公司), a company incorporated in the PRC with limited liability and owned as to 81.4% by Bamian Investments
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Purchasers”	CSGTIC and CMTC

“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	16,829,670 ordinary shares of SGD\$1.00 each in the issued share capital of Bamian Investments, representing the entire issued share capital of Bamian Investments, legally and beneficially owned by the Company, as at the date of the Agreement
“Share(s)”	the ordinary share(s) of HK\$0.1 each in the capital of the Company, which are listed on the Stock Exchange
“Shareholder(s)”	holders of the Share(s)
“SGD”	Singapore dollars, the lawful currency of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto in the Listing Rules
“US\$” or “US dollars”	US dollars, the lawful currency of the United States
“Vietnam Mayer”	Vietnam Mayer Company Limited (越南美亞責任有限公司), a company incorporated in Vietnam with limited liability and owned as to 29.85% by Guangzhou Mayer
“%”	per cent.

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

Hong Kong, 5 January 2012

*As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Hsiao Ming-chih, Mr. Lai Yueh-hsing, Mr. Chiang Jen-chin, Mr. Lu Wen-yi, Mr. Cheng Koon Cheung, and Mr. Xue Wenge; two non-executive Directors, namely Mr. Li Deqiang and Mr. Lam Chun Yin; and three independent non-executive Directors, namely Mr. Lin Sheng-bin, Mr. Huang Jui-hsiang and Mr. Alvin Chiu.*