
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Mayer Holdings Limited** (the "Company"), you should at once hand this circular to the purchaser or to the bank or stockbroker or other agent through whom the sales was effected for transmission to the purchaser or transferee.

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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)

**CONTINUING CONNECTED TRANSACTION
AND
PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

Financial Adviser to the Company



**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



**WALLBANCK BROTHERS
Securities (Hong Kong) Limited**

A letter from the Board is set out from pages 4 to 9 of this circular. A letter from the Independent Board Committee is set out on page 10 of this circular. A letter from Wallbanck Brothers containing its advice to the Independent Board Committee and the Independent Shareholders is set out from pages 11 to 20 of this circular.

A notice convening the EGM to be held at Room 501, 5/F., Aon China Building, 29 Queen's Road, Central, Hong Kong on Friday, 6 June 2008, at 3:00 p.m. or immediately after the conclusion of the annual general meeting of the Company to be held on the same day and place at 2:30 p.m., is set out from pages 27 to 28 of this circular.

A proxy form for use in the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 24 hours before the time appointed for holding the extraordinary general meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM, or any adjournment thereof, should you so wish.

* For identification purposes only

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DEFINITIONS

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

“Aircraft Lease Agreement”	an agreement dated 6 May 2008 entered into between ROC Advance (as lessor) and Daily Air Corporation (as lessee) in respect of the leasing of the Aircrafts and the provision of the Consultancy Services
“Aircrafts”	four Dornier 228-212 aircrafts with the aircrafts manufacturer’s serial number 8234, 8235, 8224 and 8215, each in a 19 passengers configuration for passenger and cargo transportations
“Annual Caps”	the proposed annual caps for the Transaction
“Articles”	the articles of association of the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Capital Increase”	the proposal to increase the authorised share capital of the Company from HK\$100,000,000 to HK\$200,000,000 by the creation of an additional 1,000,000,000 new Shares
“Company”	Mayer Holdings Limited (Stock code: 1116), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Consultancy Services”	the consultancy services for the safety operation of the Aircrafts provided by ROC Advance to Daily Air Corporation
“Daily Air Corporation”	Daily Air Corporation, Inc., a company which is principally engaged in operating domestic airlines for passages and cargo transportations among offshore islands in the Republic of China
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held on 6 June 2008 to consider and, if thought fit, approve by the Independent Shareholders, among other things, the Aircraft Lease Agreement and the Annual Caps; and (ii) by the Shareholders the Capital Increase

DEFINITIONS

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China
“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 and Mr. Alvin Chiu to advise the Independent Shareholders regarding the Aircraft Lease Agreement and the Annual Caps
“Independent Shareholders”	Shareholders other than Mr. Huang Chun-fa and his associates
“independent third party(ies)”	has the meaning ascribed to it under the Listing Rules
“Latest Practicable Date”	16 May 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“ROC Advance”	ROC Advance Limited, a limited company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HKD0.10 each in the capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the leasing of the Aircrafts and the provision of the Consultancy Services pursuant to the Aircraft Lease Agreement

DEFINITIONS

“Wallbanck Brothers” or “Independent Financial Adviser”	Wallbanck Brothers Securities (Hong Kong) Limited, being a licensed corporation under the SFO to carry on types 4, 6, 9 regulated activities, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Aircraft Lease Agreement and the Annual Caps
“USD”	US dollars, the lawful currency of the United States of America
“%”	per cent.

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

LETTER FROM THE BOARD



美亞控股有限公司*

MAYER HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1116)

Executive Directors:

Mr. Lai Yueh-hsing
Mr. Lo Haw
Mr. Cheng Dar-terng
Mr. Chiang Jen-chin
Dr. Lin Meng-chang
Mr. Lu Wen-yi

Non-executive Directors:

Mr. Hsiao Ming-Chih
Mr. Huang Chun-fa

Independent non-executive Directors:

Mr. Lin Sheng-bin
Mr. Huang Jui-hsiang
Mr. Alvin Chiu

Registered office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104

Principal Office in Hong Kong:

Room 501, 5/F., Aon China Building
29 Queen's Road Central
Hong Kong

20 May 2008

To the Shareholders

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTION AND PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

INTRODUCTION

Reference is made to the announcement of the Company dated 6 May 2008. On 6 May 2008, ROC Advance, a wholly-owned subsidiary of the Company, entered into the Aircraft Lease Agreement with Daily Air Corporation regarding the leasing of the Aircrafts and the provision of the Consultancy Services by ROC Advance to Daily Air Corporation for a term of three years commencing from 8 June 2008 to 7 June 2011.

Pursuant to the Aircraft Lease Agreement, the Directors expected that the Annual Caps for the Transaction for each of the three years ending 7 June 2011 will be USD1,416,000 (equivalent to approximately HK\$11,044,800).

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LETTER FROM THE BOARD

In addition, the Company also announced on 6 May 2008 that it proposes to increase its authorised share capital from HK\$100,000,000 to HK\$200,000,000 by the creation of an additional 1,000,000,000 new Shares in order to provide for further flexibility and accommodate further expansion and growth of the Company.

The purpose of this circular is (i) to provide you with information on the Aircraft Lease Agreement and the Annual Caps, and the Capital Increase; (ii) to set out the recommendations of the Independent Board Committee and the Independent Financial Adviser in relation to the Aircraft Lease Agreement and the Annual Caps; and (iii) to give you a notice of EGM at which resolution(s) will be proposed to consider and, if thought fit, approve the Aircraft Lease Agreement and the Annual Caps, and the Capital Increase.

THE AIRCRAFT LEASE AGREEMENT

Date	6 May 2008
Term	8 June 2008 to 7 June 2011, subject to the Independent Shareholders' approval on the Aircraft Lease Agreement and the Annual Caps at the EGM
Lessor	ROC Advance
Lessee	Daily Air Corporation

Particulars

Pursuant to the Aircraft Lease Agreement, ROC Advance has agreed to lease the Aircrafts and provide the Consultancy Services to Daily Air Corporation for a term of three years commencing from 8 June 2008 to 7 June 2011. ROC Advance shall employ individuals with qualification of pilot inspection or experienced mechanics dedicated for the safety operation of the Aircrafts. The management of the Company has the experience in aircraft leasing and could manage the investment in the Aircrafts.

Annual Caps

The Annual Caps for the Transaction for each of the three years ending 7 June 2011 will be USD1,416,000 (equivalent to approximately HK\$11,044,800).

Basic of the Annual Caps

The Annual Caps were determined by the Company based on the rental fee and consultancy fee payable by Daily Air Corporation to ROC Advance in total for each of the three years ending 7 June 2011.

Consideration

The rental fee and the consultancy fee in respect of the Aircraft Lease Agreement payable by Daily Air Corporation are amounted to (i) USD26,000 (equivalent to approximately HK\$202,800) per month for each of the Dornier aircraft manufacturer's serial number 8234 and 8235; (ii) USD23,000 (equivalent to

LETTER FROM THE BOARD

approximately HK\$179,400) per month for each of the Dornier aircraft manufacturer's serial number 8224 and 8215; and (iii) a maximum of USD20,000 (equivalent to approximately HK\$156,000) per month for the Consultancy Services, and are to be settled on a monthly basis in cash at the end of each month. Such rental fee and consultancy fee were determined with reference to (i) the historical rental fee and consultancy fee for the prior leasing of the Aircrafts as detailed in the following section; and (ii) the rental fee of similar aircrafts from other companies not connected with the Company and/or its subsidiaries and on terms no less favourable to the Company than terms available from the independent third parties to the Company.

Historical transactions

The Company has been conducting prior transactions with Daily Air Corporation in relation to the leasing of the Aircrafts and the provision of the Consultancy Services since 1 May 2005. For each of the relevant transaction, ROC Advance and Daily Air Corporation entered into a separate written agreement governing the terms of that particular transaction. With reference to the announcement of the Company dated 15 April 2005, ROC Advance and Daily Air Corporation entered into an aircraft lease agreement pursuant to which ROC Advance had agreed to lease two aircrafts and provide the Consultancy Services to Daily Air Corporation for a term of three years commencing from 1 May 2005 to 30 April 2008 and the annual caps for the transaction for the eight months ended 31 December 2005, each of the two years ended 31 December 2007 and the four months ended 30 April 2008 were HK\$3.9 million, HK\$5.8 million, HK\$5.8 million and HK\$2.0 million respectively. With reference to the announcement of the Company dated 13 April 2007, ROC Advance and Daily Air Corporation entered into a lease assignment agreement pursuant to which ROC Advance agreed to lease two aircrafts and provide the Consultancy Services to Daily Air Corporation for the period commencing from 13 April 2007 to 30 April 2008 and the annual caps for the transaction for the year ended 30 April 2008 was USD552,000 (equivalent to approximately HK\$4,305,600). Save as and except for the above disclosed, the Company has not conducted any continuing connected transaction with Daily Air Corporation in the past 12 months from the Latest Practicable Date. Furthermore, the Transaction is not subject to the aggregation requirement under Rule 14A.27 of the Listing Rules.

Reasons for the Transaction

The Group is principally engaged in the possessing and manufacturing of different kinds of steel sheets and steel pipes which are used by its customers in the manufacture of computing, consumer electronics and communication products, sports equipment, as well as spare parts of household appliances and motor vehicles mainly for the overseas markets through indirect export sales.

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

In 2005 and 2007, the Company acquired the Aircrafts and entered into similar leasing arrangements with Daily Air Corporation, which resulted in a steady rental income to the Group. In view of the potential stable revenue which the Group could derive from the Transaction, the Directors believe that the Company will be able to generate a considerable return from the leasing of the Aircrafts. The Aircrafts are all aircrafts currently held by the Company and they will be leased to Daily Air Corporation under the Transaction. All costs related to the day-to-day operation of the Aircrafts, including

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maintenance and insurance costs, will be fully borne by Daily Air Corporation. In addition, Daily Air Corporation shall be responsible for all expenses not exceeding USD20,000 per month in relation to the Consultancy Services in the Republic of China including board, lodging and transportation, and all relevant supports for the relevant personnel in performing maintenance activities. As such, the Company will only incur costs for any tax liability arising from leasing the Aircrafts. The terms of the Aircraft Lease Agreement were arrived at after arm's length negotiation between ROC Advance and Daily Air Corporation. The Directors (including the independent non-executive Directors) consider that the terms of the Aircraft Lease Agreement and the Annual Caps are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and the Transaction is in the interests of the Company and the Shareholders as a whole.

Listing Rules implications

As at the date of the Aircraft Lease Agreement, Mr. Huang Chun-fa was a non-executive Director and a substantial shareholder of Daily Air Corporation who beneficially owned approximately 34.31% of its equity interest. Accordingly, Daily Air Corporation is a connected person of the Company under the Listing Rules and the Transaction constitutes continuing connected transaction for the Company under Chapter 14A of the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the shareholders of Daily Air Corporation, other than Mr. Huang Chun-fa, are independent third parties to the Company. Moreover, as far as the Directors are aware of, Mr. Huang Chun-fa and his associates are shareholders of Mayer Steel Pipe Corporation, which is interested in approximately 52.08% shareholding interest in the Company. Save and except for such indirect shareholding interest, Mr. Huang Chun-fa and his associates do not directly hold any Shares.

As aforementioned, the Transaction constitutes continuing connected transaction for the Company. In addition, as one of the percentage ratios (other than the profits ratio) of the Aircraft Lease Agreement is more than 2.5%, the Transaction is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. The Company will seek approval of the Independent Shareholders by way of poll on the entering into of the Aircraft Lease Agreement and the Annual Caps at the EGM. Mr. Huang Chun-fa and his associates, and Mayer Steel Pipe Corporation are required to abstain from voting on the resolution(s) approving the Aircraft Lease Agreement and the Annual Caps at the EGM.

An Independent Board Committee, comprising Mr. Lin Sheng-bin, Mr. Huang Jui-hsiang and Mr. Alvin Chiu (all being independent non-executive Directors), has been formed to advise the Independent Shareholders regarding the Aircraft Lease Agreement and the Annual Caps. Wallbank Brothers has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

In order to provide for flexibility and accommodate future expansion and growth of the Company, the Company proposes to increase its authorised share capital from HK\$100,000,000 to HK\$200,000,000 by the creation of an additional 1,000,000,000 new Shares.

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$100,000,000 divided into 1,000,000,000 Shares, of which 576,000,000 Shares had been issued and fully paid or credited as full paid.

LETTER FROM THE BOARD

The Board had no present intention to issue any part of the increased authorised share capital of the Company and no definition plan of expansion had been formalised by the Company as at the Latest Practicable Date.

The proposed Capital Increase is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM. No Shareholder is required to abstain from voting on the resolution approving the Capital Increase.

THE EGM

A notice for convening the EGM is set out from pages 27 to 28. The EGM will be convened for the purpose of considering and, if thought fit, passing the ordinary resolution(s) to approve the Aircraft Lease Agreement and the Annual Caps, and the Capital Increase. A form of proxy for the use at the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 24 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjourned meeting thereof) should you wish to do so. The voting at the EGM will be taken by way of poll. An announcement will be made by the Company following the conclusion of the EGM to inform you of its results. Your attention is drawn to the letter of advice from Wallbanck Brothers, which contains its recommendation and the principal factors and reasons it has taken into account in arriving at its recommendation. The letter is set out in the section headed "Letter from Wallbanck Brothers" of this circular.

PROCEDURES FOR DEMANDING A POLL

Pursuant to Article 67 of the Articles, a resolution put to the vote of a general meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (a) the chairman of such meeting; or
- (b) any Shareholder or Shareholders collectively present in person or by proxy and holding at least ten percent in par value of the Shares giving a right to attend and vote at the meeting.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Aircraft Lease Agreement, including the Annual Caps, were entered into after arm's length negotiations and reflect normal commercial terms and that the terms of the Aircraft Lease Agreement are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Independent Shareholders to vote in favour of the relevant ordinary resolution(s) to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Mayer Holdings Limited
Lai Yueh-hsing
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



美亞控股有限公司*
MAYER HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1116)

20 May 2008

To the Independent Shareholders

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTION

We refer to the circular dated 20 May 2008 issued by the Company (the “Circular”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

The Independent Board Committee has been established by the Board for the purpose of advising the Independent Shareholders in connection with the Aircraft Lease Agreement and the Annual Caps, details of which are set out in the “Letter from the Board” of the Circular. The Independent Board Committee comprises the three independent non-executive Directors. Wallbank Brothers has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding the Aircraft Lease Agreement and the Annual Caps.

Having considered the principal reasons and factors considered by, and the advice from Wallbank Brothers, as set out in its letter of advice from pages 11 to 20 of the Circular, we are of the opinion that the Aircraft Lease Agreement is in the interests of the Company and the Shareholders as a whole and the terms of which (including the Annual Caps) are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the Aircraft Lease Agreement and the Annual Caps.

Yours faithfully,

For and on behalf of
Independent Board Committee

Mr. Lin Sheng-bin
*Independent non-executive
Director*

Mr. Huang Jui-hsiang
*Independent non-executive
Director*

Mr. Alvin Chiu
*Independent non-executive
Director*

* For identification purposes only

LETTER FROM WALLBANCK BROTHERS

The following is the full text of a letter of advice from Wallbanck Brothers, the independent financial adviser to the Independent Board Committee and the Independent Shareholders regarding the Aircraft Lease Agreement and the Annual Caps, for the purpose of incorporation into this circular.



WALLBANCK BROTHERS
Securities (Hong Kong) Limited

1005B, Tower 1, Lippo Centre,
89 Queensway, Central,
Hong Kong

20 May 2008

*To the independent board committee and
the independent shareholders of
Mayer Holdings Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Aircraft Lease Agreement and the Annual Caps, details of which are set out in the letter from the Board (the “Letter from the Board”) contained in the circular to the Shareholders dated 20 May 2008 (the “Circular”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires the otherwise.

It was announced on 6 May 2008 that on the same date, ROC Advance, a wholly-owned subsidiary of the Company, entered into the Aircraft Lease Agreement with Daily Air Corporation regarding the leasing of the Aircrafts and the provision of the Consultancy Services by ROC Advance to Daily Air Corporation for a term of three years commencing from 8 June 2008 to 7 June 2011.

Pursuant to the Aircraft Lease Agreement, the Directors expected that the Annual Caps for the Transaction for each of the three years ending 7 June 2011 will be USD1,416,000 (equivalent to approximately HK\$11,044,800).

As at the date of the Aircraft Lease Agreement, Mr. Huang Chun-fa was a non-executive Director and a substantial shareholder of Daily Air Corporation who beneficially owns approximately 34.31% of its equity interest. Accordingly, Daily Air Corporation is a connected person of the Company under the Listing Rules and the Transaction constitutes continuing connected transaction for the Company under

LETTER FROM WALLBANCK BROTHERS

Chapter 14A of the Listing Rules. The Company will seek approval of the Independent Shareholders by way of poll on the entering into of the Aircraft Lease Agreement and the Annual Caps at the EGM. Mr. Huang Chun-fa and his associates are required to abstain from voting on the resolution(s) approving the Aircraft Lease Agreement and the Annual Caps at the EGM.

An Independent Board Committee comprising Mr. Lin Sheng-bin, Mr. Huang Jui-hsiang and Mr. Alvin Chiu (all being independent non-executive Directors) has been formed to advise the Independent Shareholders regarding of the Aircraft Lease Agreement and the Annual Caps. We, Wallbanck Brothers, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion and recommendations, we have relied on the accuracy of the information, opinions and representations provided to us by the Directors and management of the Company, and have assumed that all information, opinions and representations contained or referred to in this circular were true and accurate at the time when they were made and will continue to be accurate at the Latest Practicable Date. We have also assumed that all statements of belief, opinion and intention made by the Directors in this circular were reasonably made after due enquiry. We have no reasons to doubt that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. We consider that we have received sufficient information to enable us to reach an informed view and to justify reliance on the accuracy of the information contained in this circular to provide a reasonable basis for our opinions and recommendations. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in this circular, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Directors and management of the Company, nor have we conducted an independent investigation into the business and affairs of the Company.

In formulating our opinion, we have relied on the financial information provided by the Company, particularly, on the accuracy and reliability of financial statements and other financial data of the Company. We have not audited, compiled nor reviewed the said financial statements and financial data. We shall not express any opinion or any form of assurance on them. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. The Directors have also advised us that no material facts have been omitted from the information to reach an informed view, and we have no reason to suspect that any material information has been withheld. We have not carried out any feasibility study on any past, and forthcoming investment decision, opportunity or project undertaken or be undertaken by the Company. Our opinion has been formed on the assumption that any analysis, estimation, forecast, anticipation, condition and assumption provided by the Company are valid and sustainable. Our opinions shall not be constructed as to give any indication to the validity, sustainability and feasibility of any past, existing and forthcoming investment decision, opportunity or project undertaken or to be undertaken by the Company.

LETTER FROM WALLBANCK BROTHERS

In formulating our opinion, we have not considered the taxation implications on the Independent Shareholders arising from the Aircraft Lease Agreement and the Annual Caps as these are particular to the individual circumstances of each Shareholder. It is emphasized that we will not accept responsibility for any tax effect on or liability of any person resulting from his or her decision to the Aircraft Lease Agreement and the Annual Caps. In particular, the Independent Shareholders who are overseas residents or are subject to overseas taxation or Hong Kong taxation on securities dealings should consult their own tax positions, and if in any doubt, should consult their own professional advisers.

Our opinions are necessarily based upon the financial, economic, market, regulatory and other conditions as they existed on, and the facts, information, representations, and opinions made available to us as of, the Latest Practicable Date.

We disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting the opinion expressed herein which may come or be brought to our attention before and after the EGM.

Our opinions are formulated only and exclusively for the purpose of the Aircraft Lease Agreement and the Annual Caps and shall not be used for any other purpose in any circumstance nor for any comparable purpose with any other opinions.

We take no responsibility for the contents of the Letter from the Board, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this letter.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee in respect of the Aircraft Lease Agreement and the Annual Caps, we have taken into consideration the following principal factors and reasons:

1. The Aircraft Lease Agreement

According to the Letter from the Board, on 6 May 2008, ROC Advance, a wholly-owned subsidiary of the Company, entered into the Aircraft Lease Agreement with Daily Air Corporation regarding the leasing of the Aircrafts and the provision of the Consultancy Services by ROC Advance to Daily Air Corporation for a term of three years commencing from 8 June 2008 to 7 June 2011. Details of the Aircraft Lease Agreement are as follows:

Date

6 May 2008

Term

8 June 2008 to 7 June 2011, subject to the Independent Shareholders' approval on the Aircraft Lease Agreement and the Annual Caps at the EGM

LETTER FROM WALLBANCK BROTHERS

Lessor

ROC Advance

Lessee

Daily Air Corporation

The consideration

The rental fee and the consultancy fee in respect of the Aircraft Lease Agreement payable by Daily Air Corporation are amounted to (i) USD26,000 (equivalent to approximately HK\$202,800) per month for each of the Dornier aircraft manufacturer's serial number 8234 and 8235; (ii) USD23,000 (equivalent to approximately HK\$179,400) per month for each of the Dornier aircraft manufacturer's serial number 8224 and 8215; and (iii) a maximum of USD20,000 (equivalent to approximately HK\$156,000) per month for the Consultancy Services, and are to be settled on a monthly basis in cash at the end of each month. Such rental fee and consultancy fee are determined with reference to (i) the historical rental fee and consultancy fee for the prior leasing of the Aircrafts as detailed in the following section; and (ii) the rental fee of similar aircrafts from other companies not connected with the Company and/or its subsidiaries and on terms no less favourable to the Company than terms available from the independent third parties to the Company.

2. Historical transactions

As stated in the Letter from the Board, the Company has been conducting prior transactions with Daily Air Corporation in relation to the leasing of the Aircrafts and the provision of the Consultancy Services since 1 May 2005. For each of the relevant transaction, ROC Advance and Daily Air Corporation entered into a separate written agreement governing the terms of that particular transaction.

With reference to the announcement of the Company dated 15 April 2005, ROC Advance and Daily Air Corporation entered into an aircraft lease agreement pursuant to which ROC Advance had agreed to lease two aircrafts and provide the Consultancy Services to Daily Air Corporation for a term of three years commencing from 1 May 2005 to 30 April 2008 and the annual caps for the transaction for the eight months ended 31 December 2005, each of the two years ended 31 December 2007 and the four months ended 30 April 2008 were HK\$3.9 million, HK\$5.8 million, HK\$5.8 million and HK2.0 million respectively.

With reference to the announcement of the Company dated 13 April 2007, ROC Advance and Daily Air Corporation entered into a lease assignment agreement pursuant to which ROC Advance agreed to lease two aircrafts and provide the Consultancy Services to Daily Air Corporation for the period commencing from 13 April 2007 to 30 April 2008 and the annual caps for the transaction for the year ended 30 April 2008 was USD552,000 (equivalent to approximately HK\$4,305,600).

Save as and except for the above disclosed, the Company has not conducted any continuing connected transaction with Daily Air Corporation in the past 12 months from the Latest Practicable Date. Furthermore, the Transaction is not subject to the aggregation requirement under Rule 14A.27 of the Listing Rules.

LETTER FROM WALLBANCK BROTHERS

3. Particulars

As stated in the Letter from the Board, pursuant to the Aircraft Lease Agreement, ROC Advance has agreed to lease the Aircrafts and provide the Consultancy Services to Daily Air Corporation for a term of three years commencing from 8 June 2008 to 7 June 2011. ROC Advance shall employ individuals with qualification of pilot inspection or experienced mechanics dedicated for the safety operation of the Aircrafts. The management of the Company has the experience in aircraft leasing and could manage the investment in the Aircrafts.

4. The Annual Caps

As stated in the Letter from the Board, the Annual Caps for the Transaction for each of the three years ending 7 June 2011 will be USD1,416,000 (equivalent to approximately HK\$11,044,800).

The Annual Caps were determined by the Company based on the rental fee and consultancy fee payable by Daily Air Corporation to ROC Advance in total for each of the three years ending 7 June 2011.

5. Reasons for the Transaction

As stated in the Letter from the Board, the Group is principally engaged in the possessing and manufacturing of different kinds of steel sheets and steel pipes which are used by its customers in the manufacture of computing, consumer electronics and communication products, sports equipment, as well as spare parts of household appliances and motor vehicles mainly for the overseas markets through indirect export sales.

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

In 2005 and 2007, the Company acquired four similar aircrafts and entered into similar leasing arrangements with Daily Air Corporation, which resulted in a steady rental income to the Group. In view of the potential stable revenue which the Group could derive from the Transaction, the Directors believe that the Company will be able to generate a considerable return from the leasing of the Aircrafts. The Aircrafts are all aircrafts currently held by the Company and they will be leased to Daily Air Corporation under the Transaction. All costs related to the day-to-day operation of the Aircrafts, including maintenance and insurance costs, will be fully borne by Daily Air Corporation. In addition, Daily Air Corporation shall be responsible for all expenses not exceeding USD20,000 per month in relation to the Consultancy Services in the Republic of China including board, lodging and transportation, and all relevant supports for the relevant personnel in performing maintenance activities. As such, the Company will only incur costs for any tax liability arising from leasing the Aircrafts. The terms of the Aircraft Lease Agreement were arrived at after arm's length negotiation between ROC Advance and Daily Air Corporation. The Directors (including the independent non-executive Directors) consider that the terms of the Aircraft Lease Agreement and the Annual Caps are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and the Transaction is in the interests of the Company and the Shareholders as a whole.

LETTER FROM WALLBANCK BROTHERS

6. Analysis on the basis of consideration of the Transaction

According to the Letter from the Board, the rental fee and the consultancy fee in respect of the Aircraft Lease Agreement payable by Daily Air Corporation to ROC Advance would be in aggregate of approximately USD1,416,000 (equivalent to approximately HK\$11,044,800) per year, during the term of the Aircraft Lease Agreement.

a) *Comparison with previous connected transactions*

According to the management of the Company and as mentioned in the Letter from the Board, the Company had reviewed the previous transactions to which ROC Advance had entered into with Daily Air Corporation in relation to the leasing of the Aircrafts and the provision of the Consultancy Services since 1 May 2005 (the “Previous Transactions”). The Previous Transactions include two relevant transactions announced by the Company on 15 April 2005 (the “2005 Lease”) and 13 April 2007 (the “2007 Lease”). A comparison between the Previous Transactions and the Transaction is shown in below:

<i>Item</i>	Leasing of 4 Dornier aircrafts	Leasing of 2 Dornier aircrafts	
	The Transaction	The 2007 Lease	The 2005 Lease
	<i>Consideration in USD</i>	<i>Consideration in USD</i>	<i>Consideration in USD</i>
	<i>per month</i>	<i>per month</i>	<i>per month</i>
	<i>(Approximate amount in HK\$)</i>	<i>(Approximate amount in HK\$)</i>	<i>(Approximate amount in HK\$)</i>
Rental			
– two Dornier 228-212 aircrafts with serial number 8234 and 8235 <i>(Note 1)</i>	52,000 (405,600)	–	52,000 (405,600)
– two Dornier 228-212 aircrafts with serial number 8224 and 8215 <i>(Note 2)</i>	46,000 (358,800)	46,000 (358,800)	–
Subtotal	98,000 (764,400)	46,000 (358,800)	52,000 (405,600)
Consultancy service	20,000 (156,000)	–	10,000 (78,000)
Total	<u>118,000 (920,400)</u>	<u>46,000 (358,800)</u>	<u>62,000 (483,600)</u>

Note:

- 1) The Aircrafts with serial number 8234 and 8235 are manufactured in year 1996.
- 2) The Aircrafts with serial number 8224 and 8215 are manufactured in year 1992 and in year 1994 respectively.

Source: Civil Aeronautics Administration, Ministry of Transportation and Communications R.O.C. (<http://www.caa.gov.tw/big5/files/9704機齡.xls>)

LETTER FROM WALLBANCK BROTHERS

According to the above table, the two Aircrafts with serial number 8224 and 8215 were manufactured earlier than the other two Aircrafts with serial number 8234 and 8235 by approximately two to four years. The Directors represented that there is a common understanding and given that no change in other factors, the earlier the manufacturing date, the lower the rental fee generating ability of the aircrafts. For this reason, the leasing of the two Aircrafts with serial number 8234 and 8235 with a higher monthly consideration of approximately USD26,000 each than the two Aircrafts with serial number 8224 and 8215 with a lower monthly consideration of USD23,000 is neither unfair nor unreasonable. Moreover, we consider that the cap of rental fee of the Transaction was neither unfair nor unreasonable to be set as the same as the Previous Transactions.

Concerning the provision of the Consultancy Service on four aircrafts, we note that the maximum annual consultancy fee generated from the Transaction would be approximately USD20,000 (equivalent to approximately HK\$156,000) and half of which of approximately USD10,000 (equivalent to approximately HK\$78,000) will be the same as the maximum annual consultancy fee in the 2005 Lease for a consultancy service on two aircrafts. We were advised by the management of the Company that the basis in determining the maximum amount of the consultancy fee generally comprises of salary, travelling expenses, accommodation and petty cash borne by the pilot(s) to be employed by ROC Advance. Based on the fact that the Company will receive the same amount of annual consultancy fee from two out of the four Dornier aircrafts as the 2005 Lease for the Transaction and the information provided by the Company, including the copies of invoices of the aforesaid expenses incurred in the Previous Transactions, we consider that the cap of fee for the Consultancy Service was neither unfair nor unreasonable to be set at approximately USD20,000 (equivalent to approximately HK\$156,000) per year, during the term of the Aircraft Lease Agreement.

b) Comparison on return on investment

We have also discussed with the management of the Company regarding the return of the Transaction. Based on the formula and information provided by the Company for the Transaction:

$$\begin{aligned} A &= \text{Monthly rental fee for leasing of the Aircrafts (Note 1)} \\ &= \text{USD98,000} \end{aligned}$$

$$\begin{aligned} B &= \text{Effective tax rate (Note 2)} \\ &= 25\% \times 15\% \\ &= 3.75\% \end{aligned}$$

$$\begin{aligned} C &= \text{After-tax annual rental fee for leasing of the Aircrafts} \\ &= A \times 12 \text{ months} \times (100-B) \\ &= \text{USD98,000} \times 12 \times (100-3.75\%) \\ &= \text{USD1,131,900} \end{aligned}$$

$$\begin{aligned} D &= \text{Cost of the Aircrafts (Note 3)} \\ &= \text{USD3,836,960} \end{aligned}$$

$$\begin{aligned} \text{Return on investment (the "ROI")} & \\ &= C/D \times 100\% \\ &= 29.50\% \end{aligned}$$

LETTER FROM WALLBANCK BROTHERS

(Note 1) Income "A" as the monthly rental fee for leasing of the Aircrafts

Under the Aircraft Lease Agreement, ROC Advance is entitled to receive USD98,000 monthly rental fee income from Dairy Air Corporation through leasing of the Aircrafts for three years commencing from 8 June 2008 to 7 June 2011.

(Note 2) Rate "B" as the effective tax rate on annual rental fee for leasing of the Aircrafts

Under the tax letter relating to tax on rental fee of the Aircrafts issued by Ministry of Finance in Taiwan in year 2008, the effective tax rate should be 25% on 15% of the annual rental fee for the Aircrafts.

(Note 3) Cost "D" as the cost of the Aircrafts

The purchase of 2 Dornier aircrafts at NTD56.32 million (equivalent to approximately USD1,836,960) as announced by the Company on 15 April 2005 and the purchase of 2 Dornier aircrafts at USD2 million (excluding the adjustments with reference to their net book values as at 31 May 2007) as announced by the Company on 13 April 2007.

Comparing to the profit margin of the Group of approximately 1.35% for the year ended 31 December 2007 and the fixed deposit rate (USD500,000 and above) of approximately 0.55% for 12-month period as quoted on the Hongkong and Shanghai Banking Corporation Limited's website as at the Latest Practicable Date, the ROI of approximately 29.50% as calculated above is significantly higher. In addition, we note from the Letter from the Board that all cost related to the day-to-day operation of the Aircrafts, including maintenance and insurance costs, will be fully borne by Dairy Air Corporation and the Company will only incur costs for any tax liability arising from leasing of the Aircrafts. As such, we concur with the Directors that in view of the potential stable revenue which the Group could derive from the Transaction, the Company will be able to generate a considerable return from the leasing of the Aircrafts.

c) *Reason for no comparison with independent third party transaction*

The Directors represented that due to the fact that the said model of the Aircrafts has been ceased to be manufactured for a considerable length of time, it is therefore difficult to identify comparables of independent third party transaction for comparison purpose.

Having considered (i) the close similarity between the Transaction and the Previous Transactions; and (ii) the considerable return to be generated from the leasing of the Aircrafts, the Directors are of the view that the consideration of the Transaction is in the interests of the Company and the Shareholders as a whole and is fair and reasonable so far as the Independent Shareholders are concerned.

LETTER FROM WALLBANCK BROTHERS

7. Analysis on the basis of the Annual Caps

The Annual Caps for the Aircraft Lease Agreement is tabulated below:

	Year		
	2008 – 2009	2009 – 2010	2010 – 2011
	<i>USD (Approximate amount in HK\$)</i>	<i>USD (Approximate amount in HK\$)</i>	<i>USD (Approximate amount in HK\$)</i>
Rental fee for leasing of the Aircrafts	1,176,000 <i>(9,172,800)</i>	1,176,000 <i>(9,172,800)</i>	1,176,000 <i>(9,172,800)</i>
Fee for provision of the Consultancy Service	240,000 <i>(1,872,000)</i>	240,000 <i>(1,872,000)</i>	240,000 <i>(1,872,000)</i>
Annual Caps	<u>1,416,000</u> <u><i>(11,044,800)</i></u>	<u>1,416,000</u> <u><i>(11,044,800)</i></u>	<u>1,416,000</u> <u><i>(11,044,800)</i></u>

Based on the fact that the Annual Caps of approximately USD1,416,000 (equivalent to approximately HK\$11,044,800) are the same as the maximum consideration of the Transaction per year, which comprised of the annual rental fees of approximately USD1,176,000 (equivalent to approximately HK\$9,172,800) of the Aircrafts and the maximum annual consultancy fee of approximately USD240,000 (equivalent to approximately HK\$1,872,000), the Board holds the view that the Annual Caps are in the interests of the Company and the Shareholders as a whole and is fair and reasonable so far as the Independent Shareholders are concerned.

8. Listing Rules implication

As stated in the Letter from the Board, as at the date of the Aircraft Lease Agreement, Mr. Huang Chun-fa was a non-executive Director and a substantial shareholder of Daily Air Corporation who beneficially owns approximately 34.31% of its equity interest. Accordingly, Daily Air Corporation is a connected person of the Company under the Listing Rules and the Transaction constitutes continuing connected transaction for the Company under Chapter 14A of the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the shareholders of Daily Air Corporation, other than Mr. Huang Chun-fa, are independent third parties to the Company. Moreover, as far as the Directors are aware of, Mr. Huang Chun-fa and his associates of Mayer Steel Pipe Corporation, which is interested in approximately 52.08% shareholding interest in the Company. Save and except for such indirect shareholding interest, Mr. Huang Chun-fa and his associates do not directly hold any Shares.

As aforementioned, the Transaction constitutes continuing connected transaction for the Company. In addition, as one of the percentage ratios (other than the profits ratio) of the Aircraft Lease Agreement is more than 2.5%, the Transaction is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules. The Company will seek approval of the

LETTER FROM WALLBANCK BROTHERS

Independent Shareholders by way of poll on the entering into of the Aircraft Lease Agreement and the Annual Caps at the EGM. Mr. Huang Chun-fa and his associates, and Mayer Steel Pipe Corporation are required to abstain from voting on the resolution(s) approving the Aircraft Lease Agreement and the Annual Caps at the EGM.

An Independent Board Committee, comprising Mr. Lin Sheng-bin, Mr. Huang Jui-hsiang and Mr. Alvin Chiu (all being independent non-executive Directors), has been formed to advise the Independent Shareholders regarding the Aircraft Lease Agreement and the Annual Caps.

RECOMMENDATION

Having considered (i) the close similarity between the Transaction and the Previous Transactions; (ii) the considerable return to be generated from the leasing of the Aircrafts; and (iii) the Directors' representations, on balance, we are of opinion that in such circumstances of the Group, the terms of the Aircraft Lease Agreement and the transactions contemplated therein, including the Annual Caps, are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and the Aircraft Lease Agreement and the transactions contemplated therein, including the Annual Caps, are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the forthcoming EGM to approve the Aircraft Lease Agreement and the transactions contemplated therein, including the Annual Caps, and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
WALLBANCK BROTHERS
Securities (Hong Kong) Limited
Phil Chan
Chief Executive Officer

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors jointly and severally accept responsibility for the accuracy of the information contained in this circular in relation to the Company and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts that omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors or chief executives of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO or as recorded in the register kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by the Directors of Listed Companies of the Listing Rules were as follows:

(i) *Mayer Steel Pipe Corporation (“Taiwan Mayer”)*

Name of Director	Number of ordinary shares in Taiwan Mayer				Total	Approximate % of shareholding
	Personal	Family	Corporate	Others		
Lo Haw	254,108	1,099	11,781,676	-	12,036,883	6.55%
Cheng Dar-terng	-	25,014	3,170,000	-	3,195,014	1.74%
Chiang Jen-chin	6,003	-	-	-	6,003	0.00%

(ii) *Guangzhou Mayer Corp., Ltd. (“Guangzhou Mayer”)*

Name of Director	Number of ordinary shares in Guangzhou Mayer				Total	Approximate % of shareholding
	Personal	Family	Corporate	Others		
Lo Haw	-	-	12,800,000	-	-	6.40%

Save as disclosed above and so far as the Company is aware, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or share positions in the Shares, underlying shares of debentures of the Company or its associated corporations (as defined in Part XV or the SFO) for which (a) notification shall be given to the Company and the Stock Exchange pursuant to the provision of Division 7 and 8 of Part XV of the SFO (including those interests and short positions which the Directors and chief executive of the company are supposed of deemed to be holding or owning pursuant to the provision of the SFO); or (b) registration shall be made in the register in accordance with Section 352 of the SFO; or (c) notification shall be made to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies of the Listings Rules.

(b) Interests and short positions of the substantial shareholders of the Company

As at the Latest Practicable Date, so far as are known to the Directors, interests or short positions held by any individual or company, other than the Directors of chief executive of the Company, for which disclosure shall be made to the Company pursuant to the provisions of Division 2 and 3 of Part XV of the SFO, or any beneficial interests representing 5% or more of the issued share capital of the Company directly or indirectly which are recorded in the register kept by the Company under section 336 of the SFO, were as follows:

Name	Capacity and nature of interest	Number of Shares	Approximate % of the Company's issued share capital
Taiwan Mayer (<i>Note 1</i>) Mayer Corporation Development International Limited ("BVI Mayer")	Corporate	300,000,000	52.08%
Cheng Wen-ching (<i>Note 2</i>)	Personal	40,000,000	6.95%
Brocheng International Limited (<i>Note 3</i>)	Corporate	20,000,000	3.47%

Notes:

1. BVI Mayer is a wholly-owned subsidiary of Taiwan Mayer. Taiwan Mayer is deemed to be interested in the 300,000,000 Shares held by BVI Mayer under the SFO.
2. Cheng Wen-ching personally holds 20,000,000 Shares and indirectly holds 20,000,000 Shares through Brocheng International Limited which is an investment holding company owned by his families. He is deemed to be interested in the Shares held by Brocheng International Limited under Part XV of the SFO.
3. Brocheng International Limited is wholly-owned by Cheng Wen-ching and his families which held 20,000,000 Shares. Cheng Wen-ching are deemed to be interested in the Shares held by Brocheng International Limited under Part XV of the SFO.

Save as disclosed above, so far as are known to the Directors, there was no other person who was required under the provisions of Division 2 and 3 of Part XV of the SFO to make disclosure to the Company for any interests or short positions in the Shares, relevant shares and debentures of the Company, or who owned any beneficial interests representing 5% or more of any class of shares or warrants of attached with a right to vote at any shareholders' general meeting.

As at the Latest Practicable Date, so far as are known to the Directors, there was no other person who is directly or indirectly, interested in 10% or more of the equity interest carrying rights to vote in all circumstances at general meetings of any other member of the Group.

3. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claims of material importance which is known to the Directors to be pending or threatened against any member of the Group.

4. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware of, neither themselves nor the management shareholders of the Company or their respective associates (as defined in the Listings Rules) had any interests in a business which competes or is likely to compete either directly or indirectly with the business of the Group or any other conflict of interest which any such person has or may have with the Group.

5. DIRECTORS' INTEREST IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired or disposed or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2007, being the date to which the latest published audited accounts of the Company were made up.

None of the Directors was materially interested, directly or indirectly, in any contract or arrangements entered into by any member of the Group subsisting the Latest Practicable Date and was significant in relation to the business of the Group.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, each of the executive Directors had entered into a service agreement with the Company for an initial term of one year commencing from their respective dates of appointment and shall continue thereafter from year to year until and unless terminated by either party by giving to the other party not less than three months' prior written notice.

As at the Latest Practicable Date, each of the non-executive Directors and independent non-executive Directors had entered into a service agreement with the Company for an initial term of one year commencing from their respective dates of appointment and shall continue thereafter from year to year until and unless terminated by either party by giving to the other party not less than three months' prior written notice.

Save as disclosed above, no Director proposed for re-election at the forthcoming annual general meeting has a service agreement with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

The Company had received from each of its independent non-executive Directors an annual confirmation of his independence in 2007 pursuant to Rule 3.13 of the Listing Rules and as at the Latest Practicable Date, the Company still considered the independent non-executive Directors to be independent.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position or prospects of the Group since 31 December 2007, being the date to which the latest published audited accounts of the Company were made up.

8. EXPERT AND CONSENT

The following is the qualification of the expert who has given advice which is contained in this circular:

Name	Qualification
Wallbanck Brothers	A licensed corporation under the SFO to carry on types 4, 6, 9 regulated activities

As at the Latest Practicable Date, Wallbanck Brothers did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Wallbanck Brothers has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter of advice and/ or reference to its name in the form and context in which it is included.

As at the Latest Practicable Date, Wallbanck Brothers did not have any direct or indirect interest in any assets which have been, since 31 December 2007 (the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

9. MATERIAL CONTRACTS

Save as disclosed below, none of the members of the Group had entered into any contracts, not being contracts entered into in the ordinary course of business, which are or may be material within the two years immediately preceding the Latest Practicable Date:

- (a) a share disposal agreement dated 13 April 2007 entered into between Sunbeam Group Limited and Mayer Steel Pipe Corporation pursuant to which Sunbeam Group Limited agreed to sell and Mayer Steel Pipe Corporation agreed to purchase 11,960,000 shares of Fullchamp Technologies Company Limited;
- (b) an aircraft sale agreement dated 13 April 2007 entered into between ROC Advance and Sino Regal Assets Limited in respect of the purchase of the aircrafts;
- (c) a lease assignment agreement dated 13 April 2007 entered into between Sino Regal Assets Limited (the assignor), ROC Advance (the assignee), and Daily Air Corporation (the lessee) in respect of the assignment of the aircraft lease rights from the assignor to the assignee;
- (d) a raw material purchase agreement dated 13 April 2007 entered between Guangzhou Mayer Corporation Limited and Mayer Steel Pipe Corporation pursuant to which Guangzhou Mayer Corporation Limited agreed to purchase and Mayer Steel Pipe Corporation agreed to sell raw materials for the period commencing from 1 April 2007 to 31 March 2010; and

- (e) an aircraft lease agreement dated 6 May 2008 entered into between ROC Advance and Daily Air Corporation in respect of the leasing of the Aircrafts and the provision of the Consultancy Services.

10. MISCELLANEOUS

- (a) The registered address of the Company is at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104.
- (b) The principal office in Hong Kong is at Room 501, 5/F., Aon China Building, 29 Queen's Road Central, Hong Kong.
- (c) The share registrar and transfer agent of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The qualified accountant and company secretary of the Company is Mr. Chan Lai Yin, Tommy. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of American Institute of Certified Public Accountants. Mr. Chan has over 12 years of experience in the audit and account field. Prior to joining the Company, he held the posts of financial controller and company secretary of a listed company in Hong Kong.
- (e) In any event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Company at Room 501, 5/F., Aon China Building, 29 Queen's Road Central, Hong Kong during normal business hours on any weekdays other than public holidays, from the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the letter from the Independent Board Committee, the text of which is set out on page 10 of this circular;
- (c) the letter from Wallbanck Brothers, the text of which is set out from pages 11 to 20 of this circular;
- (d) the written consent from Wallbanck Brothers as referred to in the section headed "Expert and consent" in this appendix;

- (e) the audited annual reports of the Company for each of the financial years ended 31 December 2006 and 31 December 2007;
- (f) the service agreements referred to in the paragraph headed “Directors’ service contracts” in this appendix;
- (g) the material contracts referred to in the paragraph headed “Material contracts” in this appendix; and
- (h) this circular.

NOTICE OF EGM



美亞控股有限公司*

MAYER HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1116)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of the Company will be held at Room 501, 5/F., Aon China Building, 29 Queen’s Road Central, Hong Kong, on Friday, 6 June 2008, at 3:00 p.m. or immediately after the conclusion of the annual general meeting of the Company to be held on the same day and place at 2:30 p.m., for the purpose of considering and, if thought fit, approving the ordinary resolutions set out below:

ORDINARY RESOLUTIONS

“THAT:

1. (a) the aircraft lease agreement dated 6 May 2008 (the “Aircraft Lease Agreement”) entered into between ROC Advance Limited (“ROC Advance”) and Daily Air Corporation, Inc. (“Daily Air Corporation”) in respect of the leasing of the aircrafts and the provision of the consultancy services for a term of three years commencing from 8 June 2008 to 7 June 2011, a copy of which has been produced to this meeting marked “A” and signed by the chairman of the meeting for the purpose of identification, the transactions contemplated under the Aircraft Lease Agreement and the implementation thereof be and are hereby approved, confirmed and ratified;
- (b) the proposed annual caps in relation to the transactions contemplated under the Aircraft Lease Agreement for each of the three years ending 7 June 2011 as set out in the circular of the Company dated 20 May 2008 be and are hereby approved, confirmed and ratified; and
- (c) any one director of the Company be and is hereby authorized to do all such acts and things on behalf of the Company as they may consider necessary or expedient in his absolute discretion to implement the Aircraft Lease Agreement or any matters contemplated thereunder; and

* For identification purposes only

NOTICE OF EGM

2. the authorised capital of the Company be increased from One Hundred Million Hong Kong Dollars (HK\$100,000,000) to Two Hundred Million Hong Kong Dollars (HK\$200,000,000) by the creation of an additional 1,000,000,000 new shares of HK\$0.10 each, such new shares of the Company to rank pari passu in all respects with the existing shares in the capital of the Company.”

For and on behalf of the Board
Mayer Holdings Limited
Lai Yueh-hsing
Chairman

Hong Kong, 20 May 2008

Principal Office in Hong Kong
Room 501, 5/F., Aon China Building
29 Queen's Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and, in the event of a poll, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed must be completed and returned in accordance with the instructions printed thereon.
3. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the EGM and in such event, the form of proxy shall be deemed to be revoked.
4. The resolutions will be voted by way of poll.
5. As at the date thereof, the executive directors of the Company are Mr. Lai Yueh-hsing, Mr. Lo Haw, Mr. Cheng Dar-terng, Mr. Chiang Jen-chin, Dr. Lin Meng-chang and Mr. Lu Wen-yi; the non-executive directors of the Company are Mr. Hsiao Ming-Chih and Mr. Huang Chun-fa; and the independent non-executive directors of the Company are Mr. Lin Sheng-bin, Mr. Huang Jui-hsiang and Mr. Alvin Chiu respectively.