

---

**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 sale or transfer was effected for transmission to the purchaser.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

---



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

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 1116)

## CONTINUING CONNECTED TRANSACTIONS

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 10 of this circular. A letter from the Independent Board Committee is set out on page 11 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 12 to 22 of this circular.

A notice convening the EGM to be held on Friday, 19 June 2009 at 3:00 p.m. at Room 501, 5/F., Aon China Building, 29 Queen's Road Central, Hong Kong 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 28 to 29 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 EGM. 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.

This circular will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at <http://www.hkexnews.hk> and the website of the Company for at least 7 days from the date of its posting.

\* For identification purposes only

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	4
<b>Letter from the Independent Board Committee</b> .....	11
<b>Letter from Wallbanck Brothers</b> .....	12
<b>Appendix – General Information</b> .....	23
<b>Notice of EGM</b> .....	28

---

## DEFINITIONS

---

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

“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	Mayer Holdings Limited (Stock code: 1116), a company incorporated in the Cayman Islands with limited liabilities and the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules and the word “connected” shall be construed accordingly
“EGM”	the extraordinary general meeting of the Company to be held on 19 June 2009 to consider and, if thought fit, to approve by the Independent Shareholders, among other things, the Trading Agreements and the proposed annual caps for the Trading Transactions
“Finished Goods”	the subject finished goods to be sold to Taiwan Mayer by Guangzhou Mayer, being the stainless steel pressed pipe connectors, pursuant to the Sale Agreement
“Group”	the Company and its subsidiaries
“Guangzhou Mayer”	Guangzhou Mayer Corporation Limited, a company incorporated in the PRC and a non wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Independent Board Committee”	the independent committee of the Board comprising the independent non-executive Directors, namely Mr. Lin Shengbin, Mr. Huang Jui-hsiang and Mr. Alvin Chiu, to advise the Independent Shareholders regarding the Trading Transactions
“Independent Financial Adviser” or “Wallbanck Brothers”	Wallbanck Brothers Securities (Hong Kong) Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry on Types 4, 6 and 9 regulated activities, and the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Trading Transactions
“Independent Shareholders”	Shareholders other than Taiwan Mayer and its associates

---

## DEFINITIONS

---

“Independent Third Party(ies)”	third parties and their ultimate beneficial owner(s) which are independent of the Company and its connected persons
“Latest Practicable Date”	1 June 2009, 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
“Purchase Agreement”	the purchase agreement dated 22 May 2009 entered into between Guangzhou Mayer and Taiwan Mayer in respect of the Purchase Transactions
“Purchase Transactions”	the transactions contemplated under the Purchase Agreement in relation to the purchase of Raw Materials from Taiwan Mayer by Guangzhou Mayer
“Raw Materials”	the subject raw materials to be purchased from Taiwan Mayer by Guangzhou Mayer, being the electrolytic zinc-coated steel sheets, pursuant to the Purchase Agreement
“Sale Agreement”	the sale agreement dated 22 May 2009 entered into between Guangzhou Mayer and Taiwan Mayer in respect of the Sale Transactions
“Sale Transactions”	the transactions contemplated under the Sale Agreement in relation to the sale of Finished Goods to Taiwan Mayer by Guangzhou Mayer
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Taiwan Mayer”	Mayer Steel Pipe Corporation, a company incorporated in Taiwan whose shares are listed on the Taiwan Stock Exchange Corporation, and the ultimate controlling shareholder of the Company

---

## DEFINITIONS

---

“Trading Agreements”	the Purchase Agreement and the Sale Agreement
“Trading Transactions”	the Purchase Transactions and the Sale Transactions
“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.*

*If there is any inconsistency between the Chinese names of the PRC entities mentioned in this circular and their English translations, the Chinese names shall prevail.*

---

## 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. Hsiao Ming-chih  
Mr. Lai Yueh-hsing  
Mr. Lo Haw  
Mr. Cheng Dar-terng  
Mr. Chiang Jen-chin  
Mr. Lu Wen-yi

*Registered office:*

P.O. Box 309GT  
Ugland House  
KY1-1104  
Grand Cayman  
Cayman Islands  
British West Indies

*Non-executive Director:*

Mr. Huang Chun-fa

*Principal Office in Hong Kong:*

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

*Independent non-executive Directors:*

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

3 June 2009

*To the Shareholders*

Dear Sir/Madam,

### CONTINUING CONNECTED TRANSACTION

#### INTRODUCTION

Reference is made to the announcement of the Company dated 22 May 2009 regarding the Trading Transactions.

On 22 May 2009, Guangzhou Mayer (a non wholly-owned subsidiary of the Company) entered into the Purchase Agreement with Taiwan Mayer (the ultimate controlling shareholder of the Company) in relation to the Purchase Transactions (the purchase of Raw Materials from Taiwan Mayer by Guangzhou Mayer) for the period from 1 July 2009 to 31 December 2011.

Pursuant to the Purchase Agreement, the parties thereto have conditionally agreed that the proposed annual caps for the Purchase Transactions for the three years ending 31 December 2011 will be approximately USD1.56 million (equivalent to approximately HK\$12.17 million), USD2.34 million (equivalent to approximately HK\$18.25 million) and USD2.34 million (equivalent to approximately HK\$18.25 million) respectively.

\* For identification purposes only

---

## LETTER FROM THE BOARD

---

On even date, Guangzhou Mayer also entered into the Sale Agreement with Taiwan Mayer in relation to the Sale Transactions (the sale of Finished Goods to Taiwan Mayer by Guangzhou Mayer) for the period from 1 July 2009 to 31 December 2011.

Pursuant to the Sale Agreement, the parties thereto have conditionally agreed that the proposed annual caps for the Sale Transactions for the three years ending 31 December 2011 will be approximately USD1.837 million (equivalent to approximately HK\$14.33 million), USD3.675 million (equivalent to approximately HK\$28.67 million) and USD5.512 million (equivalent to approximately HK\$42.99 million) respectively.

The purpose of this circular is (i) to provide you with information on the Trading Agreements and the proposed annual caps for the Trading Transactions; (ii) to set out the recommendations of the Independent Board Committee and the Independent Financial Adviser in relation to the Trading Agreements and the proposed annual caps for the Trading Transactions; and (iii) to give you a notice of EGM at which ordinary resolution(s) will be proposed to consider and, if thought fit, approve the Trading Agreements and the proposed annual caps for the Trading Transactions.

### THE PURCHASE AGREEMENT

<b>Date</b>	22 May 2009
<b>Term</b>	1 July 2009 to 31 December 2011
<b>Purchaser</b>	Guangzhou Mayer
<b>Seller</b>	Taiwan Mayer

### Particulars

Pursuant to the Purchase Agreement, Guangzhou Mayer has agreed to purchase and Taiwan Mayer agreed to sell the Raw Materials for a term commencing from 1 July 2009 to 31 December 2011.

Guangzhou Mayer and Taiwan Mayer agreed that the Purchase Transactions shall be conducted on normal commercial terms, in particular: (i) the Purchase Transactions will be on terms no less favorable to the Company than terms available to or from other Independent Third Parties; (ii) the Purchase Transactions will be in the ordinary and usual course of business of the Company and conducted after arm's length negotiations; and (iii) the Purchase Transactions will not exceed the proposed annual caps for the three years ending 31 December 2011.

### Historical transactions and the proposed annual caps

On 13 April 2007, in accordance with Chapter 14A of the Listing Rules, Guangzhou Mayer entered into a master agreement with Taiwan Mayer pursuant to which Guangzhou Mayer agreed to purchase and Taiwan Mayer agreed to sell the Raw Materials for the period commencing from 1 April 2007 to 31 March 2010. Details of the said agreement (including the relevant annual capped amounts (the “**Original Caps**”)) were included in the circular of the Company dated 7 May 2007. The Directors confirmed that

---

## LETTER FROM THE BOARD

---

the Company has complied with relevant requirements under Chapter 14A of the Listing Rules in this regard. Nevertheless, in view of the entering into of the Sale Agreement and in order to align the end dates of the Purchase Agreement with the Sale Agreement to facilitate the Trading Transactions and reduce the possible administrative costs, the Company decided to revise (i) the period set for; and (ii) the original capped amounts for the Purchase Transactions, for the two years ending 31 March 2010.

Set out below is a summary of the actual amounts of the Purchase Transactions which took place during each of the two years ended 31 December 2008 and the four months ended 30 April 2009 between Guangzhou Mayer and Taiwan Mayer and the proposed annual caps for the Purchase Transactions for the three years ending 31 December 2011:

	Actual amount for the year ended		Actual amount for the four months ended		Proposed annual caps for the year ending 31 December		
	31 December		30 April		for the year ending 31 December		
	2007	2008	2009		2009	2010	2011
			<i>(Note 1)</i>		<i>(Note 2)</i>		
Purchase Transactions							
<i>(in terms of USD)</i>	1,400,000	Nil <i>(Note 3)</i>	492,221		1,560,000	2,340,000	2,340,000
<i>(in terms of HK\$)</i>	10,920,000	Nil	3,839,324		12,168,000	18,252,000	18,252,000

*Notes:*

- (1) The actual amount of the Purchase Transactions for the four months ended 30 April 2009 was covered by the Original Caps for the years ended 31 March 2009 and the year ending 31 March 2010.
- (2) The Trading Agreements will be effective from 1 July 2009 to 31 December 2011.
- (3) Due to the substantial increase in price of the Raw Materials and the unstable market demand in 2008, the Company reduced its overall purchase of the Raw Materials and thus the purchase of the Raw Materials from Taiwan Mayer temporarily ceased in 2008.

### Basic of the annual caps

The proposed annual caps for the Purchase Transactions were determined with reference to (i) Guangzhou Mayer's historical demand for the Raw Materials; (ii) Guangzhou Mayer's expected demand for the Raw Materials based on its production scale from 1 July 2009 to 31 December 2011; (iii) the expected selling price of the Raw Materials as quoted by Guangzhou Mayer; and (iv) the buffer amount for the Purchase Transactions.

The proposed annual caps for the Purchase Transactions may not represent Guangzhou Mayer's entire demand for EG (as defined below), which may be declining due to the recent worldwide financial crisis, for the three years ending 31 December 2011. As purchase orders with the Leading Supplier (as defined below) have to be placed three months in advance while they can be placed with Taiwan Mayer immediately, the Board intends to increase Guangzhou Mayer's purchase of EG from Taiwan Mayer under the current unstable market situation in order to provide flexibility to Guangzhou Mayer's production schedule.

---

## LETTER FROM THE BOARD

---

Given the above basis and in particular that (a) the annual cap for the year ending 31 December 2009 is supported by point (ii) above; and (b) the increase in purchase of EG from Taiwan Mayer would provide flexibility to Guangzhou Mayer's production schedule, the Board is of the view that the annual caps for the Purchase Transactions for the three years ending 31 December 2011 are fair and reasonable.

### THE SALE AGREEMENT

<b>Date</b>	22 May 2009
<b>Term</b>	1 July 2009 to 31 December 2011
<b>Purchaser</b>	Taiwan Mayer
<b>Seller</b>	Guangzhou Mayer

### Particulars

Pursuant to the Sale Agreement, Guangzhou Mayer has agreed to sell and Taiwan Mayer agreed to purchase the Finished Goods for a term commencing from 1 July 2009 to 31 December 2011.

Guangzhou Mayer and Taiwan Mayer agreed that the Sale Transactions shall be conducted on normal commercial terms, in particular: (i) the Sale Transactions will be on terms no less favorable to the Company than terms available to or from other Independent Third Parties; (ii) the Sale Transactions will be in the ordinary and usual course of business of the Company and conducted after arm's length negotiations; and (iii) the Sale Transactions will not exceed the proposed annual caps for the three years ending 31 December 2011.

### Historical transactions and the proposed annual caps

Guangzhou Mayer and Taiwan Mayer have not conducted any Sale Transactions in the past. Set out below is a summary of the proposed annual caps for the Sale Transactions for the three years ending 31 December 2011:

	Actual amount for the year ended 31 December		Actual amount for the four months ended 30 April 2009	Proposed annual caps for the year ending 31 December		
	2007	2008	2009	2009	2010	2011
Sale Transactions (in terms of USD)	N/A	N/A	N/A	1,837,000	3,675,000	5,512,000
(in terms of HK\$)	N/A	N/A	N/A	14,328,600	28,665,000	42,993,600

*Note:* The Trading Agreements will be effective from 1 July 2009 to 31 December 2011.

---

## LETTER FROM THE BOARD

---

### **Basis of the annual caps**

The proposed annual caps for the Sale Transactions were determined with reference to (i) the estimated market requirement on pieces of the Finished Goods by Taiwan Mayer plus the expected increment in the coming years based on the projected sales and marketing capacity of Taiwan Mayer; (ii) the expected selling price of the Finished Goods as estimated from the current market trend in Taiwan; and (iii) the buffer amount for the Sale Transactions. Given the above basis and that (i) the Sale Transactions are new between Taiwan Mayer and Guangzhou Mayer; (ii) the proposed annual caps represent a minimal percentage of Taiwan Mayer's turnover for the year ended 31 December 2008; and (iii) the Board is optimistic about the Sales Transactions, the Board is of the view that the annual caps (including the increments) for the Sale Transactions for the three years ending 31 December 2011 are fair and reasonable.

### **REASONS FOR THE TRADING TRANSACTIONS**

The Group is principally engaged in the manufacture and trading of steel pipes, steel sheets and other products made of steel, property investment and leasing of aircrafts.

Guangzhou Mayer is principally engaged in the manufacture and trading of steel pipes, steel sheets and other products made of steel.

Taiwan Mayer is the first specialized manufacturer of steel pipes and tubular products in Taiwan and is principally engaged in the manufacture and trading of steel pipes, steel sheets and other products made of steel.

Pursuant to the Purchase Agreement, the subject Raw Materials to be purchased by Guangzhou Mayer are electrolytic zinc-coated steel sheets ("EG"), which is a kind of steel raw materials used in the production process; while pursuant to the Sale Agreement, the subject Finished Goods to be sold by Guangzhou Mayer are stainless steel pressed pipe connectors, which are parts used to connect pipes.

Guangzhou Mayer has been purchasing EG from a sole leading supplier in Taiwan (the "**Leading Supplier**"), being an Independent Third Party, on normal commercial terms. Guangzhou Mayer expects that the existing purchase quota which it has obtained from the Leading Supplier will be inadequate to meet the customers' orders for the year ending 31 December 2009. The Leading Supplier is the sole EG supplier in the Taiwan market and most of other wholesalers of EG and manufacturers also purchase EG with purchase quotas from the Leading Supplier. Guangzhou Mayer could choose to purchase the Raw Materials from other EG wholesalers but with a higher price as the price quoted by other EG wholesalers would likely be marked up. Accordingly, Guangzhou Mayer will purchase the Raw Materials from Taiwan Mayer, as Taiwan Mayer has unused quota to purchase the Raw Materials from the Leading Supplier after taking into account its own consumption. Given that Taiwan Mayer would mark-up 1.85% on the costs of the Raw Materials purchased from the Leading Supplier before selling them to Guangzhou Mayer, the Directors are of the view that the price from Taiwan Mayer is reasonable and lower than those quoted from other EG wholesalers.

---

## LETTER FROM THE BOARD

---

Taiwan Mayer is one of the reputable suppliers of stainless steel products in the Taiwan market and has developed an effective sale and distribution channel and brand name in Taiwan. In the course of enlargement of Guangzhou Mayer's production scale and sale and distribution network of stainless steel products, the Directors consider that the sale of Finished Goods to Taiwan Mayer is an appropriate way to penetrate into and promote the brand name of "Guangzhou Mayer" and its products in the Taiwan's stainless steel products market, as well as, to boost the competitiveness of Guangzhou Mayer. On the other hand, the Sale Transactions will widen the variety of stainless steel products of Taiwan Mayer, thereby increasing its market share in Taiwan. The Directors believe that the Sale Transactions will bring along a win-win situation to both Guangzhou Mayer and Taiwan Mayer.

The Directors consider that the Trading Transactions are in the interests of the Company and the Shareholders as a whole. The Trading Agreements have been entered into in the ordinary and usual course of business of the Group. The terms of the Trading Agreements were arrived at after arm's length negotiation between Guangzhou Mayer and Taiwan Mayer. The Directors also consider that the terms of the Trading Agreements and the proposed annual caps for the Trading Transactions are fair and reasonable so far as the Independent Shareholders are concerned.

### **Listing Rules implications**

Taiwan Mayer, the ultimate controlling shareholder of the Company, is a connected person of the Company under Rule 14A.11(1) of the Listing Rules. Accordingly, the Trading Transactions contemplated under the Trading Agreements constitute non-exempt continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As certain percentage ratios (other than the profits ratio) of the Trading Agreements on an annual basis is more than 2.5% but less than 25% and each of the annual considerations for the Purchase Transactions and the Sale Transactions under the Trading Agreements are more than HK\$10 million, the Trading Transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements and the annual review requirements by the independent non-executive Directors and the auditors of the Company under the Listing Rules.

The Company will seek approval of the Independent Shareholders by way of poll on the entering into of the Trading Agreements and the proposed annual caps for the Trading Transactions at the EGM. Since Taiwan Mayer is the ultimate controlling Shareholder and has material interests in the Trading Agreements, Taiwan Mayer and its associates, which are interested in a total of 300,000,000 Shares (representing approximately 52.08% of the Company's existing issued share capital as at the Latest Practicable Date), are required to abstain from voting on the relevant resolution(s) approving the Trading Agreements and the proposed annual caps for the Trading Transactions at the EGM.

The EGM will be held to consider and, if thought fit, approve the ordinary resolution(s) in respect of the Trading Agreements and the transactions contemplated thereunder.

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 Trading Agreement and the proposed annual caps for the Trading Transactions. Wallbanck Brothers has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders with regard to the Trading Agreements and the proposed annual caps for the Trading Transactions. Your attention is drawn to the letter of advice from

---

## LETTER FROM THE BOARD

---

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.

### THE EGM

A notice for convening the EGM is set out from pages 28 to 29. The EGM will be convened for the purpose of considering and, if thought fit, passing the ordinary resolution(s) to approve the Trading Agreements and the proposed annual caps for the Trading Transactions. 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.

### RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the transaction under the Trading Agreements, including the proposed annual caps for the Trading Transactions, were entered into after arm’s length negotiations and reflect normal commercial terms and that the terms of the Trading Agreements 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) 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**  
**Hsiao Ming-chih**  
*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)

3 June 2009

*To the Independent Shareholders*

Dear Sir/Madam,

### CONTINUING CONNECTED TRANSACTIONS

We refer to the circular dated 3 June 2009 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 Trading Agreements and the proposed annual caps for the Trading Transactions, 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 Trading Agreements and the proposed annual caps for the Trading Transactions.

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 12 to 22 of the Circular, we are of the opinion that the Trading Agreements are in the interests of the Company and the Shareholders as a whole and the terms of which (including the proposed annual caps for the Trading Transactions) 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 Trading Agreements and the transactions contemplated thereunder.

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 Trading Transactions, for the purpose of incorporation into this circular.*



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

2310, Tower 2, Lippo Centre,  
89 Queensway, Central,  
Hong Kong

3 June 2009

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

Dear Sirs,

### **CONTINUING CONNECTED TRANSACTIONS**

#### **INTRODUCTION**

We refer to our appointment as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Trading Transactions, 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 3 June 2009 (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 22 May 2009 that on the same date, Guangzhou Mayer (a non wholly-owned subsidiary of the Company) entered into the Trading Agreements (comprising the Purchase Agreement and the Sale Agreement) with Taiwan Mayer (the ultimate controlling shareholder of the Company) in relation to the Purchase Transactions and the Sale Transactions, as the case may be.

Pursuant to the Purchase Agreement, the parties thereto have conditionally agreed that the proposed annual caps for the Purchase Transactions for the three years ending 31 December 2011 will be approximately USD1.56 million (equivalent to approximately HK\$12.17 million), USD2.34 million (equivalent to approximately HK\$18.25 million) and USD2.34 million (equivalent to approximately HK\$18.25 million) respectively.

---

## LETTER FROM WALLBANCK BROTHERS

---

Pursuant to the Sale Agreement, the parties thereto have conditionally agreed that the proposed annual caps for the Sale Transactions for the three years ending 31 December 2011 will be approximately USD1.837 million (equivalent to approximately HK\$14.33 million), USD3.675 million (equivalent to approximately HK\$28.67 million) and USD5.512 million (equivalent to approximately HK\$42.99 million) respectively.

Taiwan Mayer, the ultimate controlling shareholder of the Company, is a connected person of the Company under Rule 14A.11(1) of the Listing Rules. Accordingly, the Trading Transactions contemplated under the Trading Agreements constitute non-exempt continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As certain percentage ratios (other than the profits ratio) of the Trading Agreements on an annual basis is more than 2.5% but less than 25% and each of the annual considerations for the Purchase Transactions and the Sale Transactions under the Trading Agreements are more than HK\$10 million, the Trading Transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements and the annual review requirements by the independent non-executive Directors and the auditors of the Company under the Listing Rules.

The Company will seek approval of the Independent Shareholders by way of poll on the entering into of the Trading Agreements and the proposed annual caps for the Trading Transactions at the EGM. Since Taiwan Mayer is the ultimate controlling Shareholder and has material interests in the Trading Agreements, Taiwan Mayer and its associates, which are interested in a total of 300,000,000 Shares (representing approximately 52.08% of the Company's existing issued share capital as at the Latest Practicable Date), are required to abstain from voting on the relevant resolutions approving the Trading Agreements and the proposed annual caps for the Trading Transactions 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 Trading Transactions. 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 FROM WALLBANCK BROTHERS

---

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 to 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.

In formulating our opinion, we have not considered the taxation implications on the Independent Shareholders arising from the Trading Transactions 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 Trading Transactions. 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.

Our opinions are formulated only and exclusively for the purpose of the Trading Transactions and shall not be used for any other purpose in any circumstance nor for any comparable purpose with any other opinions.

Our opinions are based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Trading Transactions.

Our opinions are based on the Directors' confirmation of receipt of our advice that the Directors and the management of the Company are responsible to take all reasonable steps to ensure that the information and representations provided in any press announcement, circular and prospectus concerning the Trading Transactions are true, accurate, complete and not misleading, and that no material information or facts have been omitted or withheld.

---

## LETTER FROM WALLBANCK BROTHERS

---

### THE PURCHASE TRANSACTIONS

In arriving at our opinion to the Independent Board Committee in respect of the Purchase Transactions, we have taken into consideration the following principal factors and reasons:

**(1) Background**

According to the Letter from the Board, on 22 May 2009, Guangzhou Mayer (a non wholly-owned subsidiary of the Company) entered into the Purchase Agreement with Taiwan Mayer (the ultimate controlling shareholder of the Company) in relation to the Purchase Transactions (the purchase of electrolytic zinc-coated steel sheets (“EG”) from Taiwan Mayer by Guangzhou Mayer) for the period from 1 July 2009 to 31 December 2011. Details of the Purchase Transactions are as follows:

**(2) Basis of purchase price**

According to the Letter from the Board, Taiwan Mayer would mark-up 1.85% on the cost of EG purchased from a sole leading supplier in Taiwan (the “Leading Supplier”) before selling them to Guangzhou Mayer. Taiwan Mayer will purchase EG in advance and Guangzhou Mayer will pay back to Taiwan Mayer in the next month.

As provided by the management of the Company, the 1.85% markup on the cost of EG purchased from the Leading Supplier is composed of 0.85% of handling charges and 1% of exporting commercial fee, the markup represents only an insignificant portion of the annual cap amount and is determined by reference to actual costs incurred by Taiwan Mayer.

**(3) Historical transactions and the proposed annual caps**

On 13 April 2007, in accordance with Chapter 14A of the Listing Rules, Guangzhou Mayer entered into a master agreement with Taiwan Mayer pursuant to which Guangzhou Mayer agreed to purchase and Taiwan Mayer agreed to sell EG for the period commencing from 1 April 2007 to 31 March 2010. Details of the said agreement (including the relevant annual capped amounts (the “Original Caps”)) were included in the circular of the Company dated 7 May 2007. The Directors confirmed that the Company has complied with relevant requirements under Chapter 14A of the Listing Rules in this regard. Nevertheless, in view of the entering into of the Sale Agreement and in order to align the end dates of the Purchase Agreement with the Sale Agreement to facilitate the Trading Transactions and reduce the possible administrative costs, the Company decided to revise (i) the period set for; and (ii) the original capped amounts for the Purchase Transactions, for the two years ending 31 March 2010.

---

## LETTER FROM WALLBANCK BROTHERS

---

Set out below is a summary of the actual amounts of the Purchase Transactions which took place during each of the two years ended 31 December 2008 and the four months ended 30 April 2009 between Guangzhou Mayer and Taiwan Mayer and the proposed annual caps for the Purchase Transactions for the six months ending 31 December 2009 and the two years ending 31 December 2011:

	<b>Actual amount for the year ended</b>		<b>Actual amount for the four months ended</b>	<b>Proposed annual caps for the period of/year ended</b>		
	<b>31 December 2007</b>	<b>31 December 2008</b>	<b>30 April 2009 (Note 1)</b>	<b>6 months of year 2009 (Note 2)</b>	<b>31 December 2010</b>	<b>31 December 2011</b>
<i>(in terms of USD)</i>	1,400,000	Nil (Note 3)	492,221	1,560,000	2,340,000	2,340,000
<i>(in terms of HK\$)</i>	10,920,000	Nil	3,839,324	12,168,000	18,252,000	18,252,000

*Notes:*

- (1) The actual amount of the Purchase Transactions for the four months ended 30 April 2009 was covered by the Original Caps for the years ended 31 March 2009 and the year ending 31 March 2010.
- (2) The Purchase Agreement will be effective from 1 July 2009 to 31 December 2011.
- (3) Due to the substantial increase in price of EG and the unstable market demand in 2008, the Company reduced its overall purchase of EG and therefore the purchase of EG from Taiwan Mayer temporarily ceased in the year 2008.

#### **(4) Determination of the proposed annual caps**

The proposed annual caps for the Purchase Transactions were determined with reference to (i) Guangzhou Mayer's historical demand for EG; (ii) Guangzhou Mayer's expected demand for EG based on its production scale from 1 July 2009 to 31 December 2011; (iii) the expected selling price of EG as quoted by Guangzhou Mayer; and (iv) the buffer amount for the Purchase Transactions.

##### *(a) Review on quantity of supply and demand*

We have reviewed the historical sales volume of EG of Guangzhou Mayer, provided by the Directors, for the period from year 2007 to the four months ended 30 April 2009. The amount of EG purchased from Taiwan Mayer by Guangzhou Mayer for sale during the two years ended 31 December 2008 were 1,720 metric tons and nil respectively, while the same for the four months ended 30 April 2009 was 688 metric tons. The Directors represented that the said uneven purchase volume was caused by the fluctuation of price and market demand of EG during the said period. During the four months ended 30 April 2009, the total amount of EG purchased by Guangzhou Mayer was approximately 4,888 metric tons, comprising the aforesaid 688 metric tons of EG from Taiwan Mayer and approximately 4,200 metric tons of EG from the Leading Supplier.

---

## LETTER FROM WALLBANCK BROTHERS

---

According to our review and comparison on the current selling prices of EG quoted by the Leading Supplier and other EG wholesalers with Taiwan Mayer, notwithstanding that the price of EG quoted by the Leading Supplier is the lowest amongst Taiwan Mayer and other EG wholesalers, the supply of EG from the Leading Supplier maybe insufficient for Guangzhou Mayer due to the time gap between the customers' purchase orders and the supply from the Leading Supplier.

Further, although the proposed annual caps for the Purchase Transactions may not represent Guangzhou Mayer's entire demand for EG, which may be declining due to the recent worldwide financial crisis, for the three years ending 31 December 2011, based on the estimated production scale of Guangzhou Mayer provided by the Company, we are given to understand that Guangzhou Mayer requires approximately 12,600 metric tons of EG for the six months ended 31 December 2009 in order to manufacture various types of steel products. Accordingly, Taiwan Mayer promised to provide 300 metric tons of EG per month (from its supply quota from the Leading Supplier) till 31 December 2011 as a buffer and to provide flexibility to Guangzhou Mayer under the current unstable market situation, which would be reviewed on a case by case basis as agreed by both parties.

*(b) Review on purchase price*

Concerning the unit price of EG for the two years ended 31 December 2008 and four months ended 30 April 2009, the Directors represented that the purchase price of EG is US\$650 per metric ton, including the 1.85% mark-up. Therefore, the annual cap for the six months ended 31 December 2009 is estimated to be approximately US\$1,560,000. The management of the Company represented that since the Purchase Transactions have not been approved by the Independent Shareholders at the EGM to be held, and the Purchase Agreement has been entered into in May 2009. In light of the aforesaid, Taiwan Mayer had given concession to supply Guangzhou Mayer the EG in May and June of the year 2009 in order to meet the demand of EG by Guangzhou Mayer during the said 2 months. Therefore, the cap amounts for the six months ended 31 December 2009, included an extra 2-month period (i.e. May and June 2009) agreed by Taiwan Mayer, divided by eight months would be equal to the monthly cap amount in years 2010 and 2011.

The Directors represented that it is difficult for them to forecast the exact amount, as there is no futures market for EG and the said unit price is subject to the supply and demand of the market. Therefore, we are unable to provide opinion on the said annual unit prices. The stipulated annual cap, equivalent to the turnover, is the multiple of the purchase volume and unit price of EG. Despite without the forecast on unit price of EG, it is reasonable to suggest on the basis that as the forecasted purchase volume of EG by the Company for the period from 1 July 2009 to the year ended 31 December 2011 is estimated by the Company on a reasonable basis, the annual cap is also able to be inferred as reasonable and fair, with the protection to the Shareholders, in case of substantial unexpected fluctuation of the said unit price leading to the stipulated annual cap be exceeded, as the Company is under an obligation to seek further Shareholder's approval, subject to the annual review requirements of Rule 14A.37 to 14A.40.

**(5) Reasons for the Purchase Transactions**

The Group is principally engaged in the manufacture and trading of steel pipes, steel sheets and other products made of steel, property investment and leasing of aircrafts.

---

## LETTER FROM WALLBANCK BROTHERS

---

Guangzhou Mayer is principally engaged in the manufacture and trading of steel pipes, steel sheets and other products made of steel.

According to the Letter from the Board, Taiwan Mayer is the first specialized manufacturer of steel pipes and tubular products in Taiwan and is principally engaged in the manufacture and trading of steel pipes, steel sheets and other products made of steel.

Pursuant to the Purchase Agreement, the subject raw materials to be purchased by Guangzhou Mayer are EG, which is a kind of steel raw materials used in the production process.

Guangzhou Mayer has been purchasing EG from the Leading Supplier, being an Independent Third Party, on normal commercial terms. Guangzhou Mayer expects that the existing purchase quota which it has obtained from the Leading Supplier will be inadequate to meet the customers' orders for the year ending 31 December 2009. The Leading Supplier is the sole EG supplier in the Taiwan market and most of other wholesalers of EG and manufacturers also purchase EG with purchase quotas from the Leading Supplier. Guangzhou Mayer could choose to purchase EG from other EG wholesalers but with a higher price as the price quoted by other EG wholesalers would likely be marked up. Accordingly, Guangzhou Mayer will purchase EG from Taiwan Mayer, as Taiwan Mayer has unused quota to purchase EG from the Leading Supplier after taking into account its own consumption. Given that Taiwan Mayer would mark-up 1.85% on the costs of EG purchased from the Leading Supplier before selling them to Guangzhou Mayer, the Directors are of the view that the price from Taiwan Mayer is reasonable and lower than those quoted from other EG wholesalers.

The Directors consider that the Purchase Transactions are in the interests of the Company and the Shareholders as a whole. The Purchase Agreement has been entered into in the ordinary and usual course of business of the Group. The terms of the Purchase Agreement were arrived at after arm's length negotiation between Guangzhou Mayer and Taiwan Mayer. The Directors also consider that the terms of the Purchase Agreement and the proposed annual caps for the Purchase Transactions are fair and reasonable so far as the Independent Shareholders are concerned.

### **(6) Particulars**

According to the Letter from the Board, Guangzhou Mayer and Taiwan Mayer agreed that the Purchase Transactions shall be conducted on normal commercial terms, in particular: (i) the Purchase Transactions will be on terms no less favorable to the Company than terms available to or from other Independent Third Parties; (ii) the Purchase Transactions will be in the ordinary and usual course of business of the Company and conducted after arm's length negotiations; and (iii) the Purchase Transactions will not exceed the proposed annual caps for the three years ending 31 December 2011.

---

## LETTER FROM WALLBANCK BROTHERS

---

### (7) Recommendation

Having considered the above factors and reasons and Directors' representations, on balance, we are of the opinion that in such circumstance the terms of the Purchase Agreement so far as the Independent Shareholders are concerned are on normal commercial terms, fair and reasonable and in the interests of the Company and Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the ordinary resolution to be proposed at the forthcoming EGM to approve the Purchase Transactions and we recommend the Independent Shareholders to vote in favor of the resolution in this regard.

### THE SALE TRANSACTIONS

In arriving at our opinion to the Independent Board Committee in respect of the Sale Transactions, we have taken into consideration the following principal factors and reasons:

#### (1) Background

According to the Letter from the Board, on 22 May 2009, Guangzhou Mayer (a non wholly-owned subsidiary of the Company) entered into the Sale Agreement with Taiwan Mayer (the ultimate controlling shareholder of the Company) in relation to the Sale Transactions (the sale of Finished Goods to Taiwan Mayer by Guangzhou Mayer) for the period from 1 July 2009 to 31 December 2011. Details of the Sale Transactions are as follows:

#### (2) Determination of the proposed annual caps

The proposed annual caps for the Sale Transactions were determined with reference to (i) the estimated market requirement on pieces of the Finished Goods by Taiwan Mayer plus the expected increment in the coming years based on the projected sales and marketing capacity of Taiwan Mayer; (ii) the expected selling price of the Finished Goods as estimated from the current market trend in Taiwan; and (iii) the buffer amount for the Sale Transactions.

Guangzhou Mayer and Taiwan Mayer have not conducted and Sale Transactions in the past. Set out below sets out the proposed annual caps for the Sale Transactions for the six months ending 31 December 2009 and the two years ending 31 December 2011:

	Actual amount for the year ended		Actual amount for the four months ended	Proposed annual caps for the period of/year ended		
	31 December 2007	31 December 2008	30 April 2009	6 months of year 2009	31 December 2010	31 December 2011
<i>(in terms of USD)</i>	N/A	N/A	N/A	1,837,000	3,675,000	5,512,000
<i>(in terms of HK\$)</i>	N/A	N/A	N/A	14,328,600	28,665,000	42,993,600

*Note:* The Sale Agreement will be effective from 1 July 2009 to 31 December 2011.

---

## LETTER FROM WALLBANCK BROTHERS

---

*(a) Review on quantity of supply and demand*

The Finished Goods are new products of Guangzhou Mayer and since Taiwan's steel products is a mature market with competitors from Korea, Japan and the PRC, it is the business strategy of Guangzhou Mayer to penetrate the said market in Taiwan and build its brand name with a competitive price of the Finished Goods. Based on the aforesaid and having taking into account (i) the cap amounts of approximately HK\$14 million, HK\$29 million and HK\$43 million for the six months ended 31 December 2009 and the two years ended 31 December 2011 respectively, represent only minimal percentage of Taiwan Mayer's overall annual turnover of around NT\$6,000 million (equivalent to approximately HK\$1,428 million) for the year ended 31 December 2008; (ii) the Board is optimistic on the Sale Transactions; and (iii) the distribution network of Taiwan Mayer, the management of the Company expects that it may be possible to achieve the sale of Finished Goods per month as 100,000 units, 200,000 units and 300,000 units for the six months ended 31 December 2009 and the two years ended 31 December 2010 and 2011 respectively, in arriving the proposed cap amounts of the Sale Transactions.

*(b) Review on selling price*

Concerning the unit selling price of the Finished Goods, we have enquired into the management of the Company about the proposed selling price of each of the Finished Goods quoted by Guangzhou Mayer, and we are given to understand that the Finished Goods can be sold at a higher price in the PRC than in Taiwan for an average of approximately 31%. Nevertheless, the management of the Company recognized the fact that the sale of Finished Goods, through the distribution network of Taiwan Mayer in Taiwan, at the current competitive price could attain an economics of scale and breakeven in costs while realizing the business strategy of Guangzhou Mayer to penetrate into and promote the brand name of "Guangzhou Mayer" and its products in the Taiwan's stainless steel products market, as well as, to boost the competitiveness of Guangzhou Mayer. Accordingly, unless the brand name is built within a short period of time, the prices for the Finished Goods will remain at the same level. However, subject to other factors such as shipping, electricity, other services costs etc., the prices of the Finished Goods would be reviewed on a case by case basis as agreed by both parties.

---

## LETTER FROM WALLBANCK BROTHERS

---

The stipulated annual cap, equivalent to the turnover, is the multiple of the sales volume and unit price of the Finished Goods. Despite without the forecast on unit price of the Finished Goods, it is reasonable to suggest on the basis that as the forecasted sales volume of the Finished Goods by the Company for the period from 1 July 2009 to the year ended 31 December 2011 is estimated by the Company on a reasonable basis, the annual cap is also able to be inferred as reasonable and fair, with the protection to the Shareholders, in case of substantial unexpected fluctuation of the said unit price leading to the stipulated annual cap be exceeded, as the Company is under an obligation to seek further Shareholder's approval, subject to the annual review requirements of Rule 14A.37 to 14A.40.

### **(3) Reasons for the Sale Transactions**

The Group is principally engaged in the manufacture and trading of steel pipes, steel sheets and other products made of steel, property investment and leasing of aircrafts.

Guangzhou Mayer is principally engaged in the manufacture and trading of steel pipes, steel sheets and other products made of steel.

Taiwan Mayer is one of the reputable suppliers of stainless steel products in the Taiwan market and has developed an effective sale and distribution channel and brand name in Taiwan. In the course of enlargement of Guangzhou Mayer's production scale and sale and distribution network of stainless steel products, the Directors consider that the sale of Finished Goods to Taiwan Mayer is an appropriate way to penetrate into and promote the brand name of "Guangzhou Mayer" and its products in the Taiwan's stainless steel products market, as well as, to boost the competitiveness of Guangzhou Mayer. On the other hand, the Sale Transactions will widen the variety of stainless steel products of Taiwan Mayer, thereby increasing its market share in Taiwan. The Directors believe that the Sale Transactions will bring along a win-win situation to both Guangzhou Mayer and Taiwan Mayer.

The Directors consider that the Sale Transactions are in the interests of the Company and the Shareholders as a whole. The Sale Agreement has been entered into in the ordinary and usual course of business of the Group. The terms of the Sale Agreement were arrived at after arm's length negotiation between Guangzhou Mayer and Taiwan Mayer. The Directors also consider that the terms of the Sale Agreement and the proposed annual caps for the Sale Transactions are fair and reasonable so far as the Independent Shareholders are concerned.

### **(4) Particulars**

According to the Letter from the Board, Guangzhou Mayer and Taiwan Mayer agreed that the Sale Transactions shall be conducted on normal commercial terms, in particular: (i) the Sale Transactions will be on terms no less favorable to the Company than terms available to or from other Independent Third Parties; (ii) the Sale Transactions will be in the ordinary and usual course of business of the Company and conducted after arm's length negotiations; and (iii) the Sale Transactions will not exceed the proposed annual caps for the three years ending 31 December 2011.

---

## LETTER FROM WALLBANCK BROTHERS

---

**(5) Recommendation**

Having considered the above factors and reasons and Directors' representations particularly on considering the business strategy of Guangzhou Mayer for penetrating and entering into the Taiwan's stainless steel products market, on balance, we are of the opinion that in such circumstance the terms of the Sale Agreement so far as the Independent Shareholders are concerned are on normal commercial terms, fair and reasonable and in the interests of the Company and Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the ordinary resolution to be proposed at the forthcoming EGM to approve the Sale Transactions and we recommend the Independent Shareholders to vote in favor of the resolution 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 collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS

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

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company 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 Divisions 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) *Taiwan Mayer*

Name of Director	Number of ordinary shares in Taiwan Mayer				Total	Approximate % of total shareholding
	Personal	Family	Corporate	Others		
Lo Haw	254,108	1,099	12,077,676	-	12,332,883	6.35%
Cheng Dar-terng	-	360,000	2,595,000	-	2,955,000	1.52%
Chiang Jen-chin	6,003	-	-	-	6,003	0.00%

#### (ii) *Guangzhou Mayer*

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

Save as disclosed above and so far as the Company is aware of, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (as defined in Part XV of the SFO) for which (a) notification shall be given to the Company or the Stock Exchange pursuant to the provision of Divisions 7 and 8 of Part XV of the SFO (including those interests and short positions which the Directors and chief executive are 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 Listing 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 or chief executive of the Company, for which disclosure shall be made to the Company pursuant to the provision of Divisions 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 were 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 percentage of the Company's issued share capital
Taiwan Mayer ( <i>Note 1</i> )	Corporate	300,000,000	52.08%
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 holds 20,000,000 Shares. Cheng Wen-ching is deemed to be interested in the Shares held by Brocheng International Limited under Part XV of the SFO.

Save as disclosed above and so far as are known to the Directors, as at the Latest Practicable Date, there was no other person who is required under the provision of Divisions 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 owns any beneficial interests representing 5% or more of any class of shares or warrants attaching 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. COMPETING INTERESTS**

As at the Latest Practicable Date, so far as the Directors are aware of, neither themselves nor their respective associates 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 interest which has or may have conflict with the Group.

**4. 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 of 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 2008, 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 arrangement entered into by any member of the Group subsisting the Latest Practicable Date and is significant in relation to the business of the Group.

**5. 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 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 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 had 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 has received from each of its independent non-executive Directors an annual confirmation of his independence in 2008 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.

**6. 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 2008, being the date to which the latest published audited accounts of the Company were made up.

**7. EXPERT**

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

<b>Name</b>	<b>Qualification</b>
Wallbanck Brothers Securities (Hong Kong) Limited	a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to carry on Types 4, 6 and 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 2008 (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 are proposed to be acquired or disposed of by or leased to any member of the Group.

**8. MISCELLANEOUS**

- (a) The registered address of the Company is at P.O. Box 309GT, Uglan House, KY1-1104, Grand Cayman, the Cayman Islands, British West Indies.
- (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 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary of the Company is Mr. Chan Lai Yin, Tommy. He is a 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.

**9. 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 up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the service agreements as referred to in the section headed "Directors' service contracts" in this appendix;
- (c) the Trading Agreements;
- (d) the letter from the Independent Board Committee, the text of which is set out on page 11 of this circular;
- (e) the letter from Wallbanck Brothers, the text of which is set out from pages 12 to 22 of this circular;
- (f) the written consent from Wallbanck Brothers as referred to in the section headed "Expert" in this appendix;
- (g) the annual reports of the Company for each of the financial years ended 31 December 2007 and 31 December 2008; 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, 5th Floor, Aon China Building, 29 Queen’s Road Central, Hong Kong on Friday, 19 June 2009 at 3:00 p.m. (or so soon thereafter as the annual general meeting of Mayer Holdings Limited convened on the same day and at the same place at 2:30 p.m. shall have been concluded or adjourned) for the purpose of considering and, if thought fit, approving the ordinary resolutions set out below:

#### ORDINARY RESOLUTIONS

**“THAT:**

1. (a) the purchase agreement dated 22 May 2009 (the “Purchase Agreement”) entered into between Guangzhou Mayer Corporation Limited (“Guangzhou Mayer”) and Mayer Steel Pipe Corporation (“Taiwan Mayer”) in respect of the purchase of raw materials from Taiwan Mayer by Guangzhou Mayer for the period from 1 July 2009 to 31 December 2011 (the “Purchase Transactions”), 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 Purchase Agreement and the implementation thereof be and are hereby approved, confirmed and ratified;
- (b) the sale agreement dated 22 May 2009 (the “Sale Agreement”) entered into between Guangzhou Mayer and Taiwan Mayer in respect of the sale of finished goods to Taiwan Mayer by Guangzhou Mayer for the period from 1 July 2009 to 31 December 2011 (the “Sale Transactions”), a copy of which has been produced to this meeting marked “B” and signed by the chairman of the meeting for the purpose of identification, the transactions contemplated under the Sale Agreement and the implementation thereof be and are hereby approved, confirmed and ratified;
- (c) the proposed annual caps for the Purchase Transactions in relation to the transactions contemplated under the Purchase Agreement for each of the three years ending 31 December 2011 as set out in the circular of the Company dated 3 June 2009 be and are hereby approved, confirmed and ratified;
- (d) the proposed annual caps for the Sale Transactions in relation to the transactions contemplated under the Sale Agreement for each of the three years ending 31 December 2011 as set out in the circular of the Company dated 3 June 2009 be and are hereby approved, confirmed and ratified; and

\* For identification purposes only

---

## NOTICE OF EGM

---

- (e) 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 Purchase Agreement and the Sale Agreement or any matters contemplated thereunder.”

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

Hong Kong, 3 June 2009

*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 (or a notarially certified copy thereof) 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. Hsiao Ming Chih, Mr. Lai Yueh-hsing, Mr. Lo Haw, Mr. Cheng Dar-terng, Mr. Chiang Jen-chin and Mr. Lu Wen-yi; the non-executive director of the Company is Mr. Huang Chun-fa; and the independent non-executive directors of the Company are Mr. Lin Sheng-bin, Mr. Huang Jui-hsiang and Mr. Alvin Chiu.