

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes 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 announcement.



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



THE AIRCRAFT LEASE AGREEMENT

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).

As at the date of this announcement, Mr. Huang Chun-fa is 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 and is subject to the reporting, announcement and independent shareholders' approval requirements. 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. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Company also 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 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.

A circular containing, among other things, (i) details of the Aircraft Lease Agreement and the Annual Caps, and the Capital Increase; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Aircraft Lease Agreement and the Annual Caps; and (iv) a notice of convening the EGM will be despatched to the Shareholders as soon as practicable.

THE AIRCRAFT LEASE AGREEMENT

The Board wishes to announce that 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
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 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.

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 date of this announcement. 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 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.

Listing Rules implications

As at the date of this announcement, Mr. Huang Chun-fa is 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, Mr. Huang Chun-fa and his associates do not have any direct shareholding interest in the Company.

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 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. The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board also wishes to announce that 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 of HK\$0.10 each.

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 1,000,000,000 Shares, of which 576,000,000 Shares have been issued and fully paid or credited as full paid.

The Board has no present intention to issue any part of the increased authorised share capital of the Company and no definition plan of expansion has been formalised by the Company as at the date of this announcement.

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.

GENERAL INFORMATION

A circular containing, among other things, (i) details of the Aircraft Lease Agreement and the Annual Caps, and the Capital Increase; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) the advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Aircraft Lease Agreement and the Annual Caps; and (iv) a notice of convening the EGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

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

“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
“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
“Annual Caps”	the proposed annual caps for the Transaction
“associates”	has the meaning ascribed to it in 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 of HK\$0.10 each
“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 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 island in the Republic of China
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and if thought fit, to approve (i) by the Independent Shareholders, among other things, the Aircraft Lease Agreement and the Annual Caps; and (ii) by the Shareholders the Capital Increase
“Group”	the Company and its subsidiaries
“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 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
“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
“Share(s)”	ordinary share(s) of HKD0.10 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the leasing of the Aircrafts and the provision of the Consultancy Services pursuant to the Aircraft Lease Agreement

“USD” US dollars, the lawful currency of the United States of America

“%” per cent.

For the purpose of this announcement, 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.

By Order of the Board
Mayer Holdings Limited
Lai Yueh-hsing
Chairman

Hong Kong, 6 May 2008

As at the date of this announcement, 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.

* *For identification purpose only.*