

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



**美亞控股有限公司\***  
**MAYER HOLDINGS LIMITED**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1116)**

**VERY SUBSTANTIAL DISPOSAL  
INVOLVING THE DISPOSAL OF PROPERTY**

**Financial Adviser to the Company**



**United Simsen Securities Limited**  
A wholly-owned subsidiary of SIMSEN INTERNATIONAL CORPORATION LIMITED

**THE DISPOSAL**

The Board is pleased to announce that on 12 May 2010, the Vendor and the Purchaser entered into the Agreement pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Property at the Consideration of NT\$1,230,000,000 (equivalent to approximately HK\$302,703,000).

**IMPLICATIONS OF THE LISTING RULES**

As the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules exceed 75%, the Disposal constitutes a very substantial disposal for the Company under the Listing Rules and is therefore subject to approval by the Shareholders at the EGM under Rule 14.49 of the Listing Rules. A circular containing, among other things, further information of the Disposal and a notice convening the EGM will be despatched to the Shareholders as soon as possible.

**SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 13 May 2010 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 20 May 2010.

## **INTRODUCTION**

The Board is pleased to announce that on 12 May 2010, the Vendor and the Purchaser entered into the Agreement pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Property at the Consideration of NT\$1,230,000,000 (equivalent to approximately HK\$302,703,000).

## **THE AGREEMENT**

### **Date:**

12 May 2010 (after trading hours)

### **Parties:**

Vendor: 美控實業股份有限公司(Mei Kong Shih Ye Limited)

Purchaser: 中國人壽保險股份有限公司(China Life Insurance Co., Ltd.)

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and any of its connected persons.

### **Asset to be disposed:**

Pursuant to the Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Property comprising the Building and the Land.

### **Consideration and payment terms:**

Pursuant to the Agreement, the Consideration for the Property is NT\$1,230,000,000 (equivalent to approximately HK\$302,703,000) comprising:

- 1) the Land of NT\$694,950,000 (equivalent to approximately HK\$171,027,000); and
- 2) the Building of NT\$535,050,000 (equivalent to approximately HK\$131,676,000) (included value added tax (加值型營業稅)).

The Consideration shall be payable in cash by the Purchaser to the Vendor in the following manners:

- (i) first instalment: 15% of the Consideration, NT\$184,500,000 (equivalent to approximately HK\$45,405,000) shall be paid by the Purchaser within three business days in Taiwan upon the fulfilment of the following:
  - (a) the Vendor having undertaken to the Mortgagor, that save and except for the Loan, the Vendor shall not mortgage the Property to the Mortgagor for any further loans;
  - (b) the Mortgagor having consent that, save and except for the Loan, the Mortgagor shall not provide any loans to the Vendor using the Property as collateral;
  - (c) the Vendor having provided all title transfer documents required to be signed and stamped with company seal (including but not limited to original copies of the land and building title certificates) to the real estate registration agent (地政士) designated by the Purchaser (the “Designated Agent”) for the purpose of reporting on land value increment tax and deed tax; and
  - (d) the Vendor shall provide a casher’s order to the Purchaser in the amount equivalent to the first instalment of the Consideration as security for the Vendor’s obligations under the Agreement. Upon fulfilment of the conditions for payment of the second instalment by the Purchaser as set out below, the Purchaser shall return the aforesaid casher’s order without interest to the Vendor simultaneously during the process of paying the second instalment of the Consideration;
- (ii) second instalment: 35% of the Consideration, NT\$430,500,000 (equivalent to approximately HK\$105,946,000) shall be paid by the Purchaser within three business days in Taiwan upon the fulfilment of the following:
  - (a) the Purchaser having satisfied the deed tax relating to the Agreement and the Vendor having satisfied the land value increment tax;
  - (b) the Company having obtained supporting documents in relation to the transactions contemplated under the Agreement for the approval by its relevant local regulatory authorities based on the local laws and regulations and the passing by the Board and the Shareholders at their respective meetings; and
  - (c) the application of registration in relation to transfer of the Property having delivered by the Designated Agent to the land offices in Taiwan; and

- (iii) the Remaining Balance: 50% of the Consideration, NT\$615,000,000 (equivalent to approximately HK\$151,352,000) shall be paid by the Purchaser no later than three business days in Taiwan upon completion of registration of title ownership transfer of the Property in the following manner:

In relation to the Remaining Balance, the Purchaser shall pay off the Loan on behalf of the Vendor by lodging remittance or delivering a cheque issued by a bank in Taiwan to the Mortgagor according to the actual amount of the Loan together with accrued interests. For any excess amount of the Remaining Balance over the actual amount of the Loan together with its accrued interest, the Purchaser shall first offset against the amount due from the Vendor and any remaining amount shall then be paid directly to the Vendor. The payment of the aforesaid remaining amount payable to the Vendor shall be subject to the following:

- (a) both parties to the Agreement shall have signed the relevant title transfer contract; and
- (b) the upper limit of the mortgage having been cancelled by the Mortgagor.

The Consideration was arrived at after arm's length negotiations between the parties to the Agreement. The Directors have determined the amount of the Consideration after taking into consideration the fair market value of the Property with reference to the valuation of the Property of NT\$1,034,993,000 (equivalent to approximately HK\$254,712,000) as at 31 December 2009 made by an independent professional valuer.

**Warranties, representations and undertakings:**

- 1. Pursuant to the terms of the Agreement, the warranties and representations made by the Vendor in the Agreement shall be fulfilled commencing from the date of the Agreement and ending on the date of completion of the title transfer of the Property. The major warranties and undertaking are listed as below:
  - (i) the Vendor warrants the Purchaser that within three years commencing from the day after the point of delivery date (the "Rent Commencement Date"), the minimum annual rental to be generated from the Property shall be NT\$56,100,000 (equivalent to approximately HK\$13,806,000) (the "Guarantee Income") and if the actual rental income is less than the Guarantee Income, the Vendor shall compensate the difference to the Purchaser. Both parties to the Agreement shall calculate the annual rental income at the anniversary of each relevant year. In the event the Guarantee Income for a particular year cannot be reached, the Vendor shall compensate the shortfall within two months after settlement of the actual annual rental income; and

- (ii) the Vendor undertakes that during the course of transferring the title of the Property, the Company shall obtain approvals from (i) the local regulatory authorities in relation to applicable laws and regulations; and (ii) the Board and the Shareholders at their respective meetings, in order to carry out the transactions contemplated under the Agreement;
2. Pursuant to the terms of the Agreement, the warranties and representations made by the Purchaser in the Agreement shall be fulfilled commencing from the date of the Agreement and ending on the date of completion of the title ownership transfer of the Property. The major undertaking by the Purchaser is listed as below:

after completion of the transfer of the Property, the Purchaser agrees to continue to appoint Durban Property Management Co., Ltd. (德安國際公寓大廈管理維護股份有限公司) for the provision of property management services for a period of three years commencing on the date of point of delivery and the contract of which will be further discussed between the parties.

The Guarantee Income of NT\$56,100,000 (equivalent to approximately HK\$13,806,000) was determined based on 85% of the total estimated annual rental income of NT\$66,000,000 (equivalent to approximately HK\$16,243,000) expected to be generated from the Property. In the event the Guarantee Income cannot be reached during a particular year, the Vendor shall compensate such shortfall on a dollar-to-dollar basis and shall be settled by cash. Mr. Huang Chun-fa, a non-executive Director, is a shareholder of Durban Property Management Co., Ltd. (德安國際公寓大廈管理維護股份有限公司).

**Penalties:**

Set out below are the major terms relating to penalties resulting from defaults by the parties to the Agreement:

*1. Matters in relation to defaults on the part of the Purchaser*

- (i) For matters attributable to the Purchaser in delayed payment of instalment contract sum by the Purchaser, the Purchaser shall pay the Vendor the delayed interest calculated on a daily basis at 5% per annum in respect of the contract sum due and payable.
- (ii) Except for those stipulated in the Agreement, for matters relating to the Purchaser that cause the Purchaser (a) to default (including delayed payment of contract sum); or (b) to incur loss on the Vendor in respect of those representations and warranties made by the Purchaser in the Agreement which are false and untrue that have not been corrected after 30 days upon receipt of written demand for correction issued by the Vendor, the Vendor may terminate the Agreement and/or request for compensation for damages. Upon termination of the Agreement for this reason, both parties shall bear their respective responsibilities for reversion (with costs incurred there

from borne by the Purchaser), and the Vendor may confiscate all monies paid by the Purchaser to the Vendor on termination of the Agreement as compensation. The Vendor shall not request the Purchaser for any other compensation.

2. *Matters in relation to defaults on the part of the Vendor*

Except for the Vendor's failure to obtain approvals from the Board and the Shareholders at their respective meetings for the Disposal within the stipulated period that should be handled according to the Agreement, for matters attributable to the Vendor that cause the Vendor to default, including but not limited to the Vendor's breach of the Vendor's representations and warranties made under the Agreement, failure to transfer the title of the Property as scheduled, failure to complete necessary relevant procedures of the Disposal according to provisions of the Agreement and so on that have not been corrected after 30 days upon receipt of written demand for correction issued by the Purchaser, the Purchaser may terminate the Agreement or request for deduction of the Consideration. Upon termination of the Agreement for this reason, both parties shall bear their respective responsibilities for reversion (with costs incurred there from borne by the Vendor), and the Vendor shall compensate the Purchaser with an amount doubling all monies paid by the Purchaser to the Vendor on termination of the Agreement, and, in case of delayed payment, the Vendor shall pay the Purchaser the delayed interest calculated on a daily basis at five percent per annum in respect of the contract sum due and payable. The Purchaser shall not request the Vendor for any other compensation.

**Other conditions**

Other major conditions to the Agreement are set out as below:

1. If the transfer and registration of the title of the Property fails to complete within 90 days from the date of signing of the Agreement, which shall not be attributed to the Purchaser's faults, the Purchaser has the right to terminate the Agreement. Prior to the exercise of the right of termination by the Purchaser, it shall reach an agreement with the Vendor in relation to relevant conditions and/or matters related to the transfer of title ownership, and exercise the above right of termination until a new agreement is being formulated.

Upon the termination of the Agreement in accordance with the requirements set out in this clause, both parties to the Agreement shall perform their obligations to revert the other party to its original condition. If there is any matter that shall be borne by the Vendor, the Purchaser shall request for compensation for damages from the Vendor.

To avoid any doubts, upon the termination of the Agreement and unless otherwise stipulated in the Agreement, the other party shall request for compensation for damages in an appropriate manner and/or exercise relevant rights in relation to default punishment in the Agreement if there is any violation by any party to the Agreement.

2. The parent company of the Vendor, being the Company, is a Hong Kong listed company and the Agreement is a very substantial transaction as defined under the Listing Rules and is subject to the passing of the necessary resolution(s) by the Shareholders at the EGM for endorsement of validity of the Agreement. The Vendor shall obtain approval by local regulatory authorities within 90 days after execution of the Agreement according to decrees of the domicile country of the Company, and shall obtain approval by the Board and the Shareholders at their respective meetings in relation to the transactions as contemplated under the Agreement. Otherwise the Agreement is deemed to be terminated when it is confirmed that neither the aforesaid approvals is obtained nor on the expiry of a term of 90 days, whichever is earlier. In such case, the Purchaser needs not to notify the Vendor in relation to the termination of the Agreement and the Vendor shall refund the first installment to the Purchase in addition to 1.5% of the same to the Purchaser as compensation. Both parties to the Agreement shall bear their respective responsibilities for reversion and shall make no other requests. If the Vendor obtain the aforesaid approvals within 90 days after execution of the Agreement, the Vendor shall pay the rental compensation calculated at 3% per annum accrued from the payment date of the first installment of NT\$184,500,000 (equivalent to approximately HK\$45,405,000) to the date the aforesaid approvals being obtained, with the compensation amount of 1.5% of the first installment shall not be required, and the compensation amount shall be paid upon the Purchaser makes its second installment.
3. The Vendor acknowledges that the Building at No. 156, Section 2, Gongdao 5th Road, Hsinchu City has defect of water leakage before the Agreement is signed. The Vendor agrees that it shall correct the aforesaid defects on its own expense before delivery according to the Agreement. If the Vendor fails to correct the aforesaid defects upon delivery of the same, the Vendor shall pay NT\$10,000 (equivalent to approximately HK\$2,461) to the Purchaser per day as fine for default until the defects are corrected by the Vendor, and the Purchaser may request for compensation for damages.
4. The Vendor acknowledges that the Purchaser enters into the Agreement with the aim to lease the Building for use by third parties for profit at a consideration. Therefore, the Vendor agrees that, within five years after the signing of the Agreement, no other property(ies) registered under the names of the Vendor or its associated companies, or registered under the names of joint-venture, partnership or investment subject which formed between the Vendor or its associated companies with a third party, located within an area of a radius of 1 kilometre with



the Building as centre, will be leased by any means or provided to a lessee or a user of the Property which existed at the time when the Agreement is signed or the Property is transferred to the Purchaser. In case the Vendor breaches the aforesaid stipulations, the Vendor shall pay the Purchaser an amount equivalent to three months' rental as paid by a lessee to the Vendor as fine for default for each breach.

In relation to fixing of the defects of water leakage of the Building as stated in condition 3 under "Other conditions" above, the Directors estimate that such repairs will cost approximately NT\$406,000 (equivalent to approximately HK\$100,000). Save and except for the Property, the Group does not own any other properties in Taiwan.

### **INFORMATION ON THE PROPERTY**

The Property is formed up by two industrial/office buildings, an 11-storey building together with another 2-storey building erected upon a 3-level common basement and is named as 德安科技園區八期 (Durban Technology Park Phase VIII), located at No. 156, 158, 158-1 and 160 Section 2, Gongdao 5th Road, East District, Taiwan. The gross floor area of the Property is 20,478 square meters and contains 221 numbers of car parking spaces. The Vendor is the registered and beneficial owner of the Property.

The Property was an investment property acquired by the Vendor pursuant to a sale and purchase agreement dated 12 July 2007 for a total consideration of NT\$880,000,000 (equivalent to approximately HK\$216,568,000), details of which have been set out in the circular and announcement dated 10 July 2007 and 12 July 2007 respectively. As at 31 December 2009, the carrying value of the Property amount to approximately NT\$1,034,993,000 (equivalent to approximately HK\$254,712,000).

According to the annual report of the Company for the year ended 31 December 2009, the gross rentals from investment property (being the Property) for the two years ended 31 December 2009 amounted to approximately RMB3,977,000 (equivalent to approximately HK\$4,554,000) and RMB8,330,000 (equivalent to approximately HK\$9,538,000) respectively, which represented approximately 0.60% and 1.91% of the Group's audited consolidated turnover for the two years ended 31 December 2009 of RMB667,193,000 (equivalent to approximately HK\$763,936,000) and RMB435,585,000 (equivalent to approximately HK\$498,745,000) respectively. The audited net profit attributable to the Property for the two years ended 31 December 2009 amounted to approximately RMB34,567,000 (equivalent to approximately HK\$39,579,000) (a net loss of approximately RMB2,088,000 (equivalent to approximately HK\$2,391,000) if not taking into account on the revaluation gain of the Property of approximately RMB36,655,000 (equivalent to approximately HK\$41,970,000)) and RMB4,518,000 (equivalent to approximately HK\$5,173,000) respectively.



## **REASONS FOR THE DISPOSAL**

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

The Company has, on a continuous basis, reviewed its existing businesses and also sought ways to enhance the Company's competitiveness including investment in new business sector as announced by the Company on 8 December 2009. Taking into account the premium of the Consideration as compared to the cost of the acquisition of the Property by the Company and given the uncertainty in the property market in Taiwan as well as the development of the debt crisis in Europe against the valid and attractive offer made by an appropriate willing buyer, being the Purchaser, for the acquisition of the whole of the Property, the Disposal enables the Group to capture the opportunity to realize its investment under the current property market in Taiwan, accordingly, the Directors consider that it is in the interests of the Company and the Shareholders as a whole to realize the Property with a profit. Moreover, the Directors consider that the Disposal will enable the Company to improve the cashflow and liquidity position of the Group and increase the general working capital and cash resources for any future potential investment opportunities that may arise from time to time. After the Disposal, save as property investment, the Company intends to continue to operate the rest of its remaining principal businesses.

Save and except for the Disposal, as at the date of this announcement, the Directors have no intention, negotiation or agreement to dispose or scale-down of the Group's existing businesses.

The Directors, including the independent non-executive Directors, consider that the terms of the Agreement are normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS**

The net proceeds from the Disposal of approximately NT\$536,250,000 (equivalent to approximately HK\$131,971,000) will be used for general working capital purposes and, where appropriate, future acquisitions (if any) where suitable opportunities arise in future.

## **FINANCIAL EFFECT OF THE DISPOSAL**

It is expected that the Group will record a gain from the Disposal of approximately HK\$26,200,000 being the difference between the Consideration of NT\$1,230,000,000 (equivalent to approximately HK\$302,703,000) and the carrying value of the Property of approximately NT\$1,034,993,000 (equivalent to approximately HK\$254,712,000) as at 31 December 2009 and taking into account the estimated expenses to be incurred (including but not limited to the relevant taxation, agency commission, and legal and professional fees).

## **INFORMATION ON THE PURCHASER**

The Purchaser's principal activity is the writing of life insurance business, providing life, annuities, accident and health insurance products in Taiwan, the shares of which are listed on the Taiwan Stock Exchange (stock code: 2823). The headquarters of the Purchaser is located in Taipei, Taiwan.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules exceed 75%, the Disposal constitutes a very substantial disposal for the Company under the Listing Rules and is therefore subject to approval by the Shareholders at the EGM under Rule 14.49 of the Listing Rules. To the best of the Directors' knowledge, information and belief having made reasonable enquiries, no Shareholders have a material interest in the Disposal and are required to abstain from voting at the EGM.

A circular containing, among other things, further information of the Disposal and a notice convening the EGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

## **SUSPENSION AND RESUMPTION OF TRADING OF SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 13 May 2010 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 20 May 2010.

## **DEFINITIONS**

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

“Agreement”	the conditional sale and purchase agreement dated 12 May 2010 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Building”	德安科技園區八期(Durban Technology Park Phase VIII), an 11-storey building with another 2-storey building plus 3 levels of basement being erected on the Land and with address as No. 156, 158, 158-1 and 160 Section 2, Gongdao 5th Road, East District, Taiwan

“Company”	Mayer Holdings Limited, a company incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	have the meaning ascribed to it under the Listing Rules
“Consideration”	NT\$1,230,000,000 (equivalent to approximately HK\$302,703,000), being the consideration for the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Property pursuant to the terms of the Agreement
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of, among other things, approving the Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	the land situated at Land No. 14, Kuang Fu Sec., Hsinchu City, Taiwan, of which the Building is erected
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan facility provided by the Mortgagor to the Vendor of which the Property was pledged as collateral
“Mortgagor”	陽信商業銀行股份有限公司(Sunny Bank Ltd.)
“Property”	the Land together with the Building
“PRC”	the People’s Republic of China which for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	中國人壽保險股份有限公司(China Life Insurance Co., Ltd.)

“Remaining Balance”	the remaining balance of the Consideration of NT\$615,000,000 (equivalent to approximately HK\$151,352,000), being 50% of the Consideration,
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Vendor”	美控實業股份有限公司(Mei Kong Shih Ye Limited), a company incorporated in Taiwan with limited liability, and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“NT\$”	New Taiwan dollars, the lawful currency of Taiwan; and
“RMB”	renminbi, the lawful currency of the PRC
“%”	Per cent.

\* For identification purpose only

*For the purpose of this announcement, all amounts denominated in NT\$ and RMB have been translated (for information only) into HK\$ using the exchange rates of NT\$1.00:HK\$0.2461 and RMB1:HK\$1.145. Such translation shall not be construed as a representation that amounts of NT\$ and RMB were or may have been converted.*

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

Hong Kong, 19 May 2010

*As at the date of this announcement, the executive directors of the Company are Mr. Hsiao Ming-chih, Mr. Lai Yueh-hsing, Mr. Lo Haw, Mr. Cheng Dar-terng, Mr. Chiang Jen-chin 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 respectively.*