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If you are in any doubt as to any aspect of this circular or as to the action to be taken, 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**, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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美亞控股有限公司*
MAYER HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1116)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
THE DISPOSAL OF 4,600,000 OF SHARES OF FULLCHAMP**

Financial Advisor



South China Capital Limited

* *For identification purpose only*

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DEFINITIONS

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

“Board”	the board of Directors
“Company”	Mayer Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1116)
“Directors”	directors of the Company
“Disposal”	the disposal of 1,400,000 shares of Fullchamp by the Company pursuant to the Sale and Purchase Agreement
“Fullchamp”	Fullchamp Technologies Co., Ltd (富成金屬科技股份有限公司), a company established under the laws of the Republic of China
“Group”	the Company and its subsidiaries
“Independent Third Party”	Companies or persons who are not connected with the Company, the directors, chief executives or substantial shareholders of the Company, or any of its subsidiaries or their respective associates as defined in the Listing Rules
“Latest Practicable Date”	8 November 2006, being the latest practicable date for ascertaining certain information referred to this circular prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Previous Disposal”	the disposal by the Company of 3,200,000 shares of Fullchamp pursuant to an agreement dated 6 September 2006, the details of which were described in the announcement by the Company dated 3 October 2006
“Purchaser”	an independent third party, being the purchaser of the shares of Fullchamp pursuant to the Sale and Purchase Agreement

DEFINITIONS

“Sale and Purchase Agreement”	an agreement dated 3 October 2006 entered into between the Company and the Purchaser pursuant to which the Company agreed to procure Sunbeam to sell 1,400,000 shares of Fullchamp to the Purchaser
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunbeam”	Sunbeam Group Limited, a company incorporated in British Virgin Islands and a wholly-owned subsidiary of the Company
“Taiwan Mayer”	Mayer Steel Pipe Corporation, the ultimate controlling shareholder of the Company, a company incorporated in Taiwan, whose shares are listed on the Taiwan Stock Exchange Corporation
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong Special Administrative Region of the People’s Republic of China
“NT\$”	New Taiwanese dollars, the lawful currency of the Republic of China
“%”	Percent.

For the purpose of this circular and unless otherwise stated, all amounts denominated in NT\$ and RMB have been translated (for information only) into HK\$ using the exchange rate of NT\$1.00=HK\$0.2357 and RMB1.00=HK\$0.9804. Such translation shall not be construed as a representation that amounts of NT\$ and RMB were or may have been converted.

LETTER FROM THE BOARD



美亞控股有限公司*

MAYER HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1116)

Executive Directors

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

Non-executive Directors

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

Independent Non-executive Directors

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

Registered Office:

P.O. Box 309GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

Principal Office in Hong Kong:

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

10 November 2006

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF 4,600,000 OF SHARES OF FULLCHAMP

BACKGROUND

The Previous Disposal and the Disposal

On 6 September 2006, the Company as vendor has entered into a share disposal agreement with an Independent Third Party pursuant to which the Company agreed to procure Sunbeam, a wholly-owned subsidiary of the Company, to sell to such Independent Third Party 3,200,000 shares of Fullchamp, representing approximately 7.63% of the total issued share capital of

* For identification purpose only

LETTER FROM THE BOARD

Fullchamp, for a consideration of NT\$12.50 (equivalent to approximately HK\$2.95) per share and a total consideration of NT\$40 million (equivalent to approximately HK\$9.43 million) in cash (the “Previous Disposal”). Reference of such could be made to the announcement of the Company dated 3 October 2006. The Previous Disposal was completed on 8 September 2006.

On 3 October 2006, the Company has entered into the Sale and Purchase Agreement with another Independent Third Party (the “Purchaser”) pursuant to which the Company agreed to procure Sunbeam to sell to the Purchaser 1,400,000 shares of Fullchamp, representing approximately 3.34% of the total issued share capital of Fullchamp, for a consideration of NT\$12.50 (equivalent to approximately HK\$2.95) per share and a total consideration of NT\$17.5 million (equivalent to approximately HK\$4.12 million) in cash (the “Disposal”). The Disposal was completed on 4 October 2006.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the Purchaser and the ultimate beneficial owner of the Purchaser are third parties independent of the Company and connected persons of the Company.

The considerations for both the Previous Disposal and the Disposal were determined by reference to the net asset value of Fullchamp as at 6 September 2006 and were arrived at after arm’s length negotiation between the Company and the respective purchasers. The Directors are of the view that the considerations of both the Previous Disposal and the Disposal are fair and reasonable, and the Previous Disposal and the Disposal are in the interests of the Company and the Shareholders as a whole (please also refer to the section headed “Reasons for the Previous Disposal and the Disposal, and the use of the net proceeds” below).

The effect of the Previous Disposal and the Disposal on the Company’s shareholding in Fullchamp

Upon the completion of the Previous Disposal and the Disposal, the Company through Sunbeam has disposed an aggregate of 4,600,000 shares of Fullchamp, representing approximately 10.97% of the total issued share capital of Fullchamp. The Company’s beneficial equity interest in Fullchamp decreased from 39.48% to approximately 28.51% with a remaining holding of 11,960,000 shares of Fullchamp. The board of directors of Fullchamp currently comprises of five directors, of which four directors are representatives appointed by the Company through Sunbeam. Upon the completion of the Previous Disposal and the Disposal, since the Company through Sunbeam continues to be the single largest shareholder of Fullchamp and the Company continues to control of board of the directors of Fullchamp, Fullchamp continues to be a subsidiary of the Company.

LETTER FROM THE BOARD

The shareholding structures of Fullchamp prior to the completion of the Previous Disposal and the Disposal, immediately after the completion of the Previous Disposal, and immediately after the completion of the Previous and the Disposal are as follows:

	Prior to the completion of the Previous Disposal, the Disposal		Immediately after the completion of the Previous Disposal		Immediately after the completion of the Previous Disposal and the Disposal	
	<i>Shares of Fullchamp</i>	<i>%</i>	<i>Shares of Fullchamp</i>	<i>%</i>	<i>Shares of Fullchamp</i>	<i>%</i>
The Company	16,560,000	39.48	13,360,000	31.85	11,960,000	28.51
Respective purchasers	–	–	3,200,000	7.63	4,600,000	10.97
Taiwan Mayer*	9,600,000	22.88	9,600,000	22.88	9,600,000	22.88
Other shareholders of Fullchamp	15,788,500	37.64	15,788,500	37.64	15,788,500	37.64
Total	41,948,500	100.00	41,948,500	100.00	41,948,500	100.00

* *Taiwan Mayer is the ultimate controlling shareholder of the Company and is indirectly beneficially interested in 75% of the issued share capital of the Company as at the date of this circular.*

Information of Fullchamp

Fullchamp was incorporated in July 2002 as a private company and is principally engaged in the design, development and manufacture of aluminum forged and forged-spun wheels for automobiles such as passenger, motorbike, sports utility vehicle and truck.

The following summarizes the audited financial results of Fullchamp for the years ended 31 December 2004 and 31 December 2005 (in accordance with generally accepted accounting principles in Taiwan) respectively:

	For the year ended 31 December 2004	For the year ended 31 December 2005
	<i>(NT\$'000)</i>	<i>(NT\$'000)</i>
Turnover	254,352	213,195
Gross profit/(loss)	15,465	(11,138)
Profit (loss) before taxation	(105,048)	(109,822)
Taxation	27,455	4,226
Profit (loss) after taxation	(77,593)	(105,596)

LETTER FROM THE BOARD

Reasons for the Previous Disposal and the Disposal, and the use of the net proceeds

The Group is principally engaged in the processing and manufacturing different kinds of steel sheets and steel pipes which are used in the manufacturing 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.

Fullchamp suffered a substantial decrease in gross profit for the year ended 31 December 2005, from a gross profit of NT\$15,465,000 (equivalent to approximately HK\$3,645,101 for the year ended 31 December 2004 to a gross loss of NT\$11,138,000 (equivalent to approximately HK\$2,625,227). Fullchamp suffered net losses of NT\$77,593,000 (equivalent to approximately HK\$18,288,670) and NT\$105,596,000 (equivalent to approximately HK\$24,888,977) for the years ended 31 December 2004 and 31 December 2005 respectively. As commented by the directors of Fullchamp, the substantial decrease in gross profit of Fullchamp for the year ended 31 December 2005 was caused by the following reasons: (i) Fullchamp was still in the development stage of business and in the process of strengthening customer relationships, therefore, Fullchamp had lowered the selling prices of some of its products in 2005 in order to expand its sales network and market share; and (ii) Fullchamp bought some machineries and facilities to improve its production capability in 2005, which increased the depreciation expenses. The Directors believe that by partially disposing the investment of the Company on Fullchamp, the Company could bear less operating risk and better allocate its resources to other businesses of the Company. Following the completion of the Previous Disposal and the Disposal, the Company retains a beneficial interest of approximately 28.51% in Fullchamp. As the Company through Sunbeam continues to be the single largest shareholder of Fullchamp and the Company continues to control the board of the directors of Fullchamp, Fullchamp continues to be a subsidiary of the Company and the Company will continue to consolidate the financial results of Fullchamp into its accounts. Therefore, should the financial results of Fullchamp be improved, the Group would still be able to consolidate its share in the profits/losses of Fullchamp in the future. Thus, the Directors are of the view that the Previous Disposal and the Disposal are in the interests of the Company and the Shareholders as a whole.

The net proceeds of the Previous Disposal and the Disposal are estimated to be NT\$57.5 million (equivalent to approximately HK\$13.6 million). According to the Directors, the net proceeds will be mainly be used as additional working capital by the Company.

LETTER FROM THE BOARD

The combined financial effects of the Previous Disposal and the Disposal on the Company

The net asset value of Fullchamp immediately before the completion of the Previous Disposal and the Disposal as at 6 September 2006 was estimated to be NT\$369,008,852 (equivalent to approximately HK\$86,975,386). The difference, between the aggregate consideration of the Previous Disposal and the Disposal of NT\$57,500,000 (equivalent to approximately HK\$13,552,750) and the net asset value as at 6 September 2006 of the 10.97% of Fullchamp of which the Company has disposed under the Previous Disposal and the Disposal of NT\$40,480,271 (equivalent to approximately HK\$9,541,200), is approximately NT\$17,019,729 (equivalent to approximately HK\$4,011,550) and will be treated as a gain to the Company. Accordingly, upon the completion of the Previous Disposal and the Disposal, the Company will record a gain of approximately NT\$17.02 million (equivalent to approximately HK\$4.01 million), and the net asset value of the Company would be increased by the same amount.

FURTHER INFORMATION

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

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

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

- (a) As at the Latest Practicable Date, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to 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					Approximate % of shareholding
	Personal	Family	Corporate	Other	Total	
Lo Haw	171,311	923	9,575,962	-	9,748,196	6.61%
Chang Dar-terng	-	22,740	-	-	22,740	0.00%
Chiang Jen-chin	792	-	-	-	792	0.00%

(II) *Guangzhou Mayer*

Name of Director	Number of ordinary shares in Guangzhou Mayer					Approximate % of shareholding
	Personal	Family	Corporate	Other	Total	
Lo Haw	-	-	8,160,000	-	8,160,000	6.40%

Save as disclosed above and so far as the Company is aware, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or 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 provisions of Divisions 7 and 8 of Part XV of the SFO (including those interests and short positions which the Directors and chief executives are supposed or deemed to be holding or owning pursuant to the provisions 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) 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 provisions 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 of Shareholder	Number of Shares held	Percentage of shareholding
Taiwan Mayer (<i>Note</i>)	300,000,000	75%
Mayer Corporation Development International Limited	300,000,000	75%

Note: Mayer Corporation Development International Limited (“Mayer Corporation”) is a wholly owned subsidiary of Taiwan Mayer. Taiwan Mayer is deemed to be interested in the 300,000,000 Shares held by Mayer Corporation Development International Limited under the SFO.

Save as disclosed above, as far as the Directors are aware, as at the Latest Practicable Date, there was no other person who was required under the provisions of Divisions 2 and 3 of Part XV of the SFO to make disclosure to the Company for any interests or short positions in shares, relevant shares and debentures, or who owns any beneficial interests representing 5% or more of any class of shares or warrants or attached with a right to vote at any of the Shareholders’ general meeting.

- (c) 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. SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for an initial term of 1 year respectively and shall continue thereafter from year to year until terminated by either party with three month's notice in writing served on the other side. Under the service agreements, Mr. Lo Haw and Dr. Lin Meng-chang is entitled to an annual fee of HK\$350,000 and HK\$432,000 respectively and each of the other four executive Directors is entitled to an annual fee of HK\$180,000.

Each of the non-executive Directors is appointed for an initial term of 1 year commencing from their respective dates of appointment and shall continue thereafter from year to year until terminated by either party with three month's notice in writing served on the other side. Each of the non-executive Directors is entitled to an annual fee of HK\$100,000. Each of the executive and non-executive Directors is entitled to a discretionary bonus as determined by the Board provided that the total amount of bonuses payable to all the executive and non-executive Directors for such year shall not exceed 5% of the audited consolidated profit after taxation and minority interests but before extraordinary items of the Group (if any) for the relevant year.

Each of the independent non-executive Directors is appointed for an initial term of 1 year commencing from their respective dates of appointment and shall continue thereafter from year to year until terminated by either party with three month's notice in writing served on the other side. The aggregate annual fees payable to the independent non-executive Directors is HK\$288,000 per year.

Save as set out above, as at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service contract with any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

4. LITIGATION

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

5. MATERIAL CONTRACTS

As at the Latest Practicable Date, none of the members of the Group has entered into any contracts, not being contracts entered into in the ordinary course of business, which are or may be material within the two years immediately preceding the Latest Practicable Date.

6. MATERIAL CHANGES

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2005, the date to which the latest published audited financial statements of the Group were made up.

7. MISCELLANEOUS

- (a) Mr. Lui Cho Tak is the company secretary of the Company. He is a practicing solicitor in Hong Kong, England and Wales and a partner of a law firm in Hong Kong. Lui graduated and received from the University of Glamorgan a Bachelor Degree in Laws in 1990 and graduated and received from the University of Hong Kong a Postgraduate Certificate in Laws in 1991 and a Master Degree in Laws in 1994.

Mr. Chan Lai Yin, Tommy is the qualified accountant and financial controller of the Group and a member of the senior management of the Company. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of American Institute of Certified Public Accountants. Mr. Chan has over 10 years of experience in the audit and accounting field. Prior to joining the Company, he held the posts of financial controller and company secretary of a listed company in Hong Kong.

- (b) The registered office of the Company is situated at P.O. Box 309GT, Uglund House, South Church Street, George Town, Grand Cayman, Cayman Islands, British West Indies and its principal office in Hong Kong is situated at 501, 5/F, Aon China Building, 29 Queen's Road Central, Hong Kong. The address of the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) None of the Directors or their respective associates have personal interests in companies engaged in businesses, which compete or may compete with the Group.
- (d) So far as the Company is aware, none of the Directors had any interests, directly or indirectly, in any assets acquired or sold by or leased to or proposed to be acquired or sold by or leased to any member of the Group since 31 December 2005, being the date to which the latest published audited accounts of the Company were made up.

- (e) There is no contract or arrangement subsisting as at the date of this circular in which a Director is materially interested and which is significant in relation to the business of the Group.
- (f) The English text of this circular prevails over the Chinese text.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Company at Room 501, 5th Floor, Aon China Building, 29 Queen's Road Central, Hong Kong during normal business hours up to and including 30 November 2006 (being a period of not less than 14 days from the date of this circular):

- (a) the memorandum and articles of association of the Company; and
- (b) the service contracts referred to in paragraph 3 in this appendix.